MODERN BUSINESS

ALEXANDER HAMILTON INSTITUTE

Digitized by the Internet Archive
in 2026

https://archive.org/details/modernbusiness0000alex_o0h5

Modern Business

A Series of Texts
prepared as part of the
Modern Business Course and Service

Registered Trade Mark
United States and Great Britain
Marca Registrada, M. de F.

Alexander Hamilton Institute

JOSEPH FRENCH JOHNSON

FOUNDER OF

ALEXANDER HAMILTON INSTITUTE

(1909)

AND FIRST EDITOR-IN-CHIEF
OF THE

MODERN BUSINESS SERIES

Sales Management

By

John G. Jones

Business Consultant

Formerly Vice-President, Director of Sales and Advertising,
Alexander Hamilton Institute

Alexander Hamilton Institute
New York

Copyright, 1930, by Alexander Hamilton Institute
Copyright in Great Britain, 1930, by Alexander Hamilton Institute
All rights reserved, including translation into Scandinavian
Latest Revision, 1931
Made in U. S. A.

PREFACE

Sales management deals with the hiring and training of salesmen, with their assignment and routing, and with their supervision and stimulation to better sales production. Such sales management we have had in the business world for many decades, although methods and viewpoints have changed. The men who have carried this managerial burden have been largely graduates from the field organization, promoted to their positions as general or branch sales managers because of superior accomplishments in actual selling. Necessarily, for want of broader training, they have not always brought to the managerial position a sufficiently analytical approach to their new problems, with the result that sales management has too frequently perpetuated traditional conceptions of the selling task, or has made a fetish of immediate sales volume without regard to market analysis and the development of future prospects. It may not be unfair to compare much of our past sales work to the exploitation of agricultural and mineral resources that preceded our present era of intensive and more scientific development.

Many new factors and changed conditions in busi-

ness and industry are bringing about a decidedly different view of the task of sales management. It is apparent that neither the old-fashioned and easy-going methods of two decades ago, nor the "high-pressure" techniques of the past decade, are adequate in the situation that now exists. Motor trucks and automobiles have revolutionized the transportation element. Hand-to-mouth buying and instalment purchases have altered the selling problem. Skimming a territory has been replaced by intensive sales cultivation. The modern salesman is demonstrator, advertising man, window-display artist, efficiency expert, and many other kinds of adviser to the retailer or purchasing agent.

It is clear that the managerial organization adequate to cope with the newer sales conditions will have the artless simplicity of neither an easy-going nor a high-pressure decade. The sales department must now work hand-in-hand with the market research and the advertising departments. When the modern sales manager sets up quotas for each district and salesman, his goals are the outcome of analyses and forecasts as scientific as our present knowledge permits. Methods of recruiting and selecting salesmen now include testing and interviewing techniques from industrial psychology. Questions of managerial policy have become matters for careful investigation, involving a wide survey of business practice. Without losing direct contact with his men, or mini-

mizing the importance of the personal factors involved in leadership and guidance, the modern sales manager is utilizing the resources of scientific management and bringing his department into line with the changed methods employed in production, accounting, advertising and financial administration. In short, sales management appears to be coming of age.

It is the purpose of this Text to offer to sales managers, actual or aspirant, a clearly written and carefully illustrated survey of the problems and methods of sales management under modern business conditions. This purpose, we believe, has been very adequately attained, thanks to the broad experience and modern viewpoint of the author, John G. Jones, Business Consultant, from 1912 to 1929 Vice-President and Director of Sales and Advertising, Alexander Hamilton Institute, and Lecturer on Salesmanship and Sales Management, New York University. Acknowledgment is also made of the coöperation cheerfully given by a large number of business and sales executives in the preparation of text and illustrative forms, and in particular of the assistance and advice of George Rowland Collins, Professor of Marketing, School of Commerce, Accounts and Finance, New York University.

EDITOR-IN-CHIEF.

TABLE OF CONTENTS

CHAPTER I

THE FUNCTION OF SALES MANAGEMENT

SECTION		PAGE
1.	Distribution the Central Business Problem of Our Times	1
2.	The Character of Early Sales Management	2
3.	Developments Following the World War	3
4.	The Challenge of Sales Management Today	4
5.	The Two Fundamental Distributive Forces	6
6.	The Staff Distributive Activities	7
7.	The Need of a Separate Staff Personnel	8
8.	Physical Distributive Activities	10
9.	Narrower Scope of Modern Sales Management	11
10.	The Real Functions of Sales Management	12
11.	Neglected Tasks in Sales Management	13
12.	Systematic Study Necessary for Management Problems	15
13.	Qualifications of the Sales Manager	16
14.	The Need for Organizing Ability	17
15.	Value of Comprehensive Business Knowledge	19

CHAPTER II

ORGANIZING FOR SALES MANAGEMENT

1.	The Problem of Organizing for Sales Management	21
2.	Factors That Influence Structure of Market Organization	22

SECTION PAGE

3. Bases for Division of Selling Task 27
4. Major Types of Field Sales Organization . . . 29
5. Advantages and Disadvantages of the Home-Office Type 30
6. The Branch-Office Type of Organization . . . 31
7. The Branch-Office Manager 34
8. Disadvantages of Branch-Office Type 35
9. The Division and Branch-Office Type 36
10. The Division, Branch, and Crew Types . . . 37
11. The Sales Foreman or Crew Supervisor . . . 38
12. Difficulties of Division, Branch, and Crew Type . 39
13. Product Specialization within the Branch-Office Types 40
14. Field Organization for the Industrial Manufacturer 40
15. Field Organization Is Only a Tool for Sales Management 42

CHAPTER III

RECRUITING THE SALES FORCE

1. Sources of Sales Recruits 44
2. Recruiting Salesmen from within the Company . 44
3. Recruiting Competitors' Salesmen 46
4. Recruiting Salesmen from Non-Competing Companies 48
5. Educational Institutions as Sources of Salesmen . 50
6. Graduates of Specialized Schools 52
7. Recruiting Men with No Selling Experience . . 53
8. Recruiting Devices 55
9. Placement Bureaus and Employment Agencies . 57
10. Advertising for Salesmen 58
11. How Shall the Advertisement Read? 59
12. Recommendations from the Present Sales Force . 62

CHAPTER IV

SELECTING THE SALES FORCE

SECTION		PAGE
1.	The Wastefulness of Salesman Turnover	64
2.	Causes of a High Rate of Turnover	65
3.	Qualifications Basic to Selection of Salesmen	67
4.	St. Louis List of Qualifications	68
5.	Importance of Mental Alertness	69
6.	Miscellaneous Special Qualifications	71
7.	The "Star" Salesman as a Pace-setter	73
8.	Influence of Particular Marketing Needs	73
9.	Methods of Determining Standard Qualifications	75
10.	The Technique of Job Analysis	77
11.	Sales Failure Studies	80
12.	Importance of Industry in Successful Selling	81
13.	Use of Termination Records	82
14.	Securing Confirming Judgments from Experienced Employers	82

CHAPTER V

SELECTING THE SALES FORCE (*Continued*)

1.	Choosing the Technique and Tools of Selection	85
2.	The Form of the Application Blank	87
3.	The Use of the Application Letter	87
4.	The Usefulness of References	92
5.	The Interview as a Tool of Selection	93
6.	Systematizing the Interview	96
7.	Judgment Blanks and Rating Scales	98
8.	What the Interview Tells	102
9.	Tests of Intelligence and Mental Alertness	103
10.	What the Tests Determine	104
11.	Technique versus Haphazard Method	106

CHAPTER VI

TRAINING SALESMEN

SECTION		PAGE
1.	The Born or Made Salesman Controversy	107
2.	Competition Necessitates Sales Training	109
3.	Results of Sales Training	110
4.	Factors That Influence Extent and Kind of Sales Training	111
5.	Required Selling Experience	113
6.	Content of Any Sales Training Program	114
7.	Details of Necessary Product Information	116
8.	Knowledge of the House	117
9.	Knowledge of Classes of Buyers	118
10.	Knowledge of Prospects as Individuals	119
11.	Principal Methods of Sales Training	121

CHAPTER VII

TRAINING SALESMEN (*Continued*)

1.	Location of Formal Sales Training Courses	124
2.	Admission to Formal Sales Training Courses	125
3.	Content of Formal Training Courses	126
4.	Methods of Conducting Formal Training Courses	127
5.	Examples of Training Methods	129
6.	Field or Road Training	133
7.	Examples of Methods of Field Sales Training	134
8.	Sales Training by Correspondence	136
9.	The Standardized Selling Talk	138
10.	Advantages and Disadvantages of Standardized Presentations	139
11.	Compiling the Standardized Presentation	141
12.	The Standardized Presentation in Use	143

CHAPTER VIII

THE SALES MANUAL

SECTION		PAGE
1.	Uses of the Sales Manual	145
2.	The Need of Better Manuals	146
3.	Factors in Determining Contents of a Manual	147
4.	Outline of Suggested Contents	149
5.	What the Salesman Must Know	151
6.	What the Salesman Should Know	152
7.	What the Salesman May Know	154
8.	How Shall the Manual Be Written?	155
9.	The Physical Form of the Manual	157
10.	Methods of Compiling a Manual	159
11.	Revising Original Drafts	161
12.	How Should the Manual Be Used?	162
13.	Getting Salesmen to Use the Manual	163

CHAPTER IX

EQUIPPING THE SALES FORCE

1.	The Use of Tangible Equipment	166
2.	Aids in Obtaining Interviews: The Advance Card	166
3.	Examples of Advance Cards	167
4.	Advantages and Disadvantages of Advance Cards	169
5.	The Business Card	170
6.	Business Card Should Reflect Character of Company	172
7.	Equipment Which Aids Directly in Making Sales	173
8.	Size, Shape, and Arrangement of the Sample Case	174
9.	The Use of the Sample Case	175
10.	Models of Products as a Part of Equipment	176
11.	The Use of Photographs and Motion-picture Projectors	177
12.	The Use of the Advertising Portfolio	178
13.	The Use of Testimonial Booklets	179

CHAPTER X

ASSIGNING AND ROUTING SALESMEN

SECTION		PAGE
1.	Importance of Assignment and Routing	182
2.	Politically Bounded Field Assignments	183
3.	Trading Areas in Relation to Assignments	185
4.	Factors That More Directly Influence Assignments	186
5.	Number and Location of Buyers	187
6.	Transportation and Frequency of Visitation	188
7.	Degree of Sales Supervision and Assistance	190
8.	Flexibility in Assignments	191
9.	Fitting the Salesman to the Assignment	193
10.	The Problem of Routing	194
11.	The Swing Type of Route	195
12.	Seasonal Routing	196
13.	Special Trip Routing	197
14.	Most Assignments Are Too Extensive	197
15.	Routing by Automobile	199

CHAPTER XI

SUPERVISING SALESMEN

1.	The Problem of Supervision	201
2.	The Necessity for Supervision	202
3.	Supervision Involves Assistance	203
4.	Methods of Supervision	205
5.	Personal Contact as a Supervising Device	207
6.	Methods for the Field Supervisor	208
7.	Supervision through Correspondence	209
8.	Types of Letters	211
9.	Composition of the General Letter	212
10.	Personalized Individual Letters	213
11.	The Personal Letter to the Recruit	214
12.	Letters to the Veteran Salesmen	217

CHAPTER XII

THE SALESMAN'S REPORTS

SECTION		PAGE
1.	Need for Systematic Field Reports	219
2.	Principles of Report Construction	220
3.	The Daily Work Report	222
4.	The Daily Expense Report	226
5.	Need for Definite Expense Policy	226
6.	Examples of Expense Policies	228
7.	Receipt and Voucher Requirements	231
8.	The Administration of Expense Accounts	232
9.	Weekly Summary Reports	233
10.	Special-purpose Reports	234
11.	Getting Reports Returned on Time	238

CHAPTER XIII

PAYING THE SALES FORCE

1.	Compensation and Salesman-turnover	240
2.	The Straight Commission	242
3.	Disadvantages of Straight-commission Plan	243
4.	The Sliding-commission Plan	245
5.	The Straight-salary Plan	246
6.	Disadvantages of Straight-salary Plan	247
7.	The Salary and Commission Plan	248
8.	Salary, Commission, and Bonus	249
9.	Special Bonus Possibilities	251
10.	Bonus and Task Plans	252
11.	The Point-system Plan	254
12.	The Rating Plan	256
13.	Miscellaneous Compensation Plans	257

CHAPTER XIV

SALES CONVENTIONS

SECTION		PAGE
1.	Growth of the Sales-convention Idea	260
2.	Advantages and Disadvantages of Conventions	261
3.	The Costliness of General Conventions	263
4.	The Purpose of the Sales Convention	264
5.	Where to Hold the Sales Convention	266
6.	The Convention at the Home Office	267
7.	Conventions at Recreational Resorts	268
8.	Frequency and Length of Conventions	269
9.	Planning the Convention	270
10.	The Work of the Program Committee	272
11.	The Choice of Convention Speakers	273
12.	Balancing the Program	275
13.	Handling the Physical Problems of the Convention	277
14.	Operating on Schedule	278

CHAPTER XV

SALES CONTESTS

1.	Purposes of the Sales Contest	280
2.	Advantages of the Sales Contest	281
3.	Disadvantages and Dangers of the Sales Contest	282
4.	The Duration of the Contest	284
5.	The Short, Intensive Contest	285
6.	Contest Awards	286
7.	Types of Prizes	287
8.	Building the Contest around a Central Idea	289
9.	The Special-trip Contest	290
10.	The Season as a Central Contest Idea	292
11.	Planning for the Contest	293
12.	The Conduct of the Contest	295
13.	Special Interest Devices	296

CHAPTER XVI

HOUSE ORGANS AND BULLETINS

SECTION PAGE

1. The Function of the House Organ 298
2. Considerations in Launching a House Organ . . 299
3. Size, Form, and Frequency of Issue 301
4. The Selection of the House-organ Editor . . . 302
5. The Choice of Name and Content 303
6. Informational Material 304
7. Inspirational Material 306
8. Human-interest Material and Advertising . . . 308
9. The Duties of the Editor 309
10. Writing and Rewriting 311
11. Supervising the Mechanical Production . . . 312
12. Evaluating the Results of the House Organ . . 313
13. The Sales Bulletin 314

CHAPTER XVII

THE FIELD SALES MANAGER AND THE SALES QUOTA

1. The Determination of Sales Objectives . . . 316
2. Sales Quotas as Devices of Compensation . . . 317
3. Relating Salesmen's Quotas to Market Forecasts. 318
4. The Development of Forecasting 319
5. Relation of Field Sales Manager to General Forecasting 321
6. Arbitrary Adjustments for Competition . . . 321
7. Setting up the Forecast for the Field Force . . 323
8. The Responsibility of the Field Sales Manager . 324
9. Assignment of Individual Sales Quotas . . . 324
10. Using the Individual Salesman's Estimates . . 325
11. Product Quotas 328
12. Monthly Quotas 329

13. Selling the Quotas to the Salesmen 330
14. Necessity for Planning the Salesman's Work . . 333
15. Informing the Salesman of Quota Standing . . 334

SALES MANAGEMENT

CHAPTER I

THE FUNCTION OF SALES MANAGEMENT

1. *Distribution the central business problem of our times.*—The problem of market distribution preoccupies the business mind of today. How to sell monopolizes executive attention. Much if not most of our current business thinking is directed toward improving the effectiveness and economy of distributive methods.

This procedure is but recent. Until 1920, how to make things persisted as the most engrossing business topic. The emphasis upon manufacturing relegated the task of sales management to a subordinate position. The major executives devoted their attention to buying, financing, and manufacturing. Selling was often turned over to a minor official of limited authority and responsibility. Frequently, the direction and control of field salesmanship were considered but side line tasks to be assigned to treasurer, office manager, or anyone available. When the selling job came to be considered worthy of a full-time supervisor, a sales manager was often chosen from the ranks of the selling force on

the sole basis of his success in selling goods. Almost any vigorous and supremely confident traveling salesman would do.

2. *The character of early sales management.*— Then, as always, the importance of sales management depended upon the importance of the field-selling job. Prior to 1907, most personal salesmen sold barehanded. Seldom did the house offer much assistance to the sales force. The majority of business concerns supplied their drummers with samples, sent them out on their own, paid their commissions, and that was the extent of sales management; for, in those days, it was comparatively easy to sell merchandise in the field.

From 1900 to 1907 the domestic market developed tremendously in the complexity and variety of its wants. Higher standards of living and greater purchasing power in the hands of the public increased the market demand for goods. The rise of the electric-power industry, the broadening use of the internal-combustion engine, and the perfected transmission of power quickened travel and transportation, created new arteries for the distribution of goods, and brought backward places within reach of urban modes and manners. The developing network of business communications spread metropolitan market wants and market usages into the small towns and rural communities of the nation. Sales management was haphazard and hit-or-miss, because field selling was generally smooth-sailing.

From 1907 to 1914 the sales shoe began to pinch. Warning signs began to appear, signs that the country's industrial capacity could catch up with the market demand for goods. The process of invention became even more concentrated. Physical production and total energy increased far more rapidly than population. The steadily advancing machine technique, the development of superorganization, of scientific industrial management, of engineering, and of equipment efficiency speeded up industrial growth and production. Buying power did not keep pace with increased production power. Sales management found itself on the defensive. The duties of the sales manager multiplied. Under the wing of sales management, advertising took on a new significance as a sales method. Specialized sales promotion was born and the infant was handed over to the sales manager to nourish and rear.

3. *Developments following the World War.*—In 1914 the World War brought to American business that greatest of economic gifts, a sellers' market. But it was a speculators' market as well. In it there was no attempt to relate production to consumption, nor to the purchasing power of the ultimate consumer. People bought everything they could and dealers contracted with manufacturers for products which they hoped to sell immediately. Goods were bought faster than they tumbled off the factory's assembly line. Field selling was order-taking alone, and sales

management went to sleep. Business boomed along while sales managers drowsily attempted to excuse delivery delays. The bubble burst with the crash of the stock market in October, 1919, and the long arctic night of 1919-1921 set in. The liquidation of inventories began and the machinery of production came almost to a stop.

Faced with the new practice of hand-to-mouth buying caused by decreasing purchasing power, sales management once more came to life and struggled to set the factory wheels in motion. In 1921 began the period of high-pressure sales methods and of generous and sometimes blatant advertising. Installment selling began to be applied even to the sale of common articles of everyday use. The new principle of obsolescence replaced the old principle of wear, and the technique of shortening the style-life of products was emphasized and extended. Sales managers put on new crews of salesmen, reached out into new territories, bought more advertising lineage, and cracked the whip as they demanded volume. More goods had to be sold. Sales management bombarded the consumer with enticing solicitations. Persuasion, pictures, and print astutely supplied a mounting pressure.

4. *The challenge of sales management today.*—In these later years has come a radical change. Sales management has learned that rising sales curves are frequently deceptive. Too often they indicate nothing but profitless prosperity. Intensive and ex-

tensive sales efforts cost money. And any undue emphasis upon volume without regard for ascertaining sales possibilities usually means a frenzy of high-powered selling which can only result in sales costs that mount sky-high.

Sales managers today realize the twofold challenge of effective selling. Sales volume must be obtained in order to secure the economies of large-scale production. But the cost of securing sales volume must not eat up the production savings. Competition is continually increasing the necessity of attending to total costs rather than to production costs alone. The problem of sales management at the moment is not the problem of taking orders or of making sales in large numbers at any cost. It is the problem of making sales in large volume and at low cost. It is the problem of eliminating selling wastes and inefficiencies by systematic and scientific procedures. Old-fashioned and easy-going methods must be discarded along with high-powered and go-getting methods.

Such is the general picture presented by the sweep of the years. Modern sales management implies a complicated and difficult task when compared with the necessities of the past. With this general statement most business executives will agree. However, to mark out the function of sales management today, we must go farther. We must probe into the details of the job and into its relationship to the whole distributive undertaking.

5. *The two fundamental distributive forces.*—It has long been customary to enumerate the two principal distributive forces as (a) personal salesmanship, and (b) advertising. These two forces are commonly called the controllable distributive forces at the command of the seller. Other forces, such as style, gossip, and press reports affect distributive campaigns favorably or unfavorably, but these other forces are uncontrollable in a large degree. In the main, market distribution has been accomplished by the application of the two controllable forces, used singly or in combination.

In point of time, personal salesmanship was, of course, the first widely used distributive force. It is only within the last thirty years that advertising has come into prominence as an effective selling activity. This time factor accounts for the prominence given to the position of sales manager as compared with that of advertising manager in many distributive departments today. But should advertising be considered to fall within the province of sales management? Certainly an affirmative answer to this question is possible only when sales management is considered in its most extended meaning.

There are basic differences between personal selling in the field and advertising. Personal salesmanship offers an informal, personal, and oral presentation, usually to an individual prospect. Advertising offers a formal, impersonal, and printed presentation to a group. Each sales interview must be somewhat

flexible and adaptable to the individual. Each advertisement must be fixed and unchangeable. Personal salesmanship usually aims at a completed effect, at a complete cycle of persuasion that will result in a sale. Advertising very often aims only at a partial effect, at a favorable impression or at a clear explanation of some idea that is connected with the product or service and its use. Personal salesmanship demands a high percentage of completed sales if it is to be an economical method of selling. Advertising expects a high percentage of failure. The whole technique of advertising is specialized, and its direction and control justify an individualized function.

Sales management in modern business should seldom be given the job of directing and controlling advertising. Advertising has come of age as a distributive force. It has taken its place as a co-partner of personal salesmanship. Nor do these statements mean that advertising must not be carefully coördinated with personal salesmanship in selling campaigns. This task, however, is far more the task of the director of marketing or the vice-president in charge of distribution than of the sales manager. The discussion of scientific organization for distribution presented in the following chapter will consider this matter of coördination. Here, it is sufficient to indicate that the direction and control of advertising are not basically functions of sales management.

6. *The staff distributive activities.*—While personal salesmanship and advertising are universally

accepted as the two important distributive forces in market distribution, the direction and control of these two forces by no means exhausts the list of distributive tasks. In recent years, the value of market research, market forecasting, market planning, and market accounting as specialized activities has been borne in upon the business executive who aims to keep alert to opportunity.

An increasing use of these specialized activities presents the question of their placement, direction, and control. Are they to be included in the function of sales management? Again, an affirmative answer is possible only when sales management is considered in its most extended meaning. Market research, forecasting, planning, and accounting are *staff* activities in that they are concerned with study, analysis, and the presentation of advisory recommendations. The direction and control of personal salesmanship and the direction and control of advertising are *line* activities. They are concerned with adopting or rejecting plans, with issuing orders, with maintaining discipline and morale, and with executing plans. In the field of production, much has been accomplished by separating staff activities from line activities. Indeed, the separation of planning and performance is one of the fundamental principles of scientific industrial management. The same division is desirable in the selling field.

7. *The need of a separate staff personnel.*—The *staff* marketing activities deserve separate function-

alization because they require a highly specialized technique. In the hands of the unskilled, this type of work will often produce faulty results that prejudice the entire object of an investigation. The work requires a complete and detailed knowledge of market distribution in all its implications, a scientific regard for facts, an ability to draft intelligent, non-leading questions, to tabulate results, to draw sound conclusions, to compare and contrast possible remedies, and it requires the ability to build workable plans upon tested market situations.

To load a line officer, like the sales manager, with the responsibility of directing and controlling market research, forecasting, planning, and accounting is the sheerest folly. He has neither the time nor the specialized ability to undertake these tasks. If he does assume these responsibilities and struggle with them, the discipline and morale of the field sales force will suffer, for his inspirational personal contact with his salesmen by means of field visits and correspondence will diminish sharply.

The advertising manager likewise is not equipped to undertake this specialized work of study and planning. His training does not fit him for the drudgery of research, the logic of analysis, or the balance of logic and psychology necessary to planning. If he undertakes these tasks, the creative effort of his department will suffer.

Specialized training for the staff distributive activities is an absolute necessity. Moreover, *staff* ac-

tivities must be separated from any influence of the line, which may have decided ideas as to the supreme importance of personal salesmanship, or of advertising. Obviously, then, the function of sales management should not include the direction and control of staff distributive activities.

8. *Physical distributive activities.*—Still another group of activities must be performed by the modern seller. These activities are concerned with the physical distribution of merchandise. Without physical distribution, it matters little that the sales psychology is right, that the proper territories are covered with salesmen, that the advertising is well written and placed in advertising mediums that "pull." No amount of psychology or promotion will move goods without actual physical handling and movement of the goods themselves from manufacturer or producer to consumer.

Undoubtedly, there has been a tendency to depreciate the importance of directing and controlling the physical handling of merchandise after finished products pass the factory inspectors. And yet the wastes in physical distribution are probably enormous. Certainly they are as susceptible of reduction as are the wastes of promotion. Questions of economical handling, movement of goods through the shipping department, methods of packing, loading, routing, and warehousing are matters of major importance. Modern selling necessitates the use of economical methods of physical distribution that will assure perfect tim-

ing in the delivery of goods as well as perfect condition of goods on arrival.

These physical distributive activities are line activities like personal salesmanship and advertising. But they are line activities that are directly concerned with physical goods or commodities. Moreover, they are line activities that are relatively silent. Personal salesmanship and advertising speak. Physical distribution becomes effective only through spokesmen. It depends for its spokesmen upon personal salesmanship and advertising. It is quite definitely a specialized and technical matter that does not fall under the head of sales management except when the term is extended beyond its normal limits. If manufacturing requires production and plant engineers to expedite the conversion of raw materials into finished products, selling certainly needs distribution engineers to expedite the movement of the finished product to the buyer. This task, however, is a job for the expert traffic engineer and not for the sales manager.

9. *Narrower scope of modern sales management.*— If physical distribution, market research, market forecasting, market planning, and advertising are not fundamentally the problems of modern sales management, just what is the sales management function? Basically, that function is the direction and control of personal salesmanship in the field. Effective and economical field sales supervision cannot be overemphasized. Seldom, if ever, has a field sales

force existed that could not have produced more sales, or that could not have been operated at a lower selling cost.

The truth of the matter is that the scope of sales management has shrunk in the past few years. As the term is used in modern selling, it is not so all-inclusive as it was. Nor should it be. The modern conception of market distribution has brought with it a scientific analysis of the selling job. The whole selling task is being divided up into carefully defined activities. The necessity for specialized techniques is being recognized and a place and a personnel are being provided for each technique. The "General Sales Manager" of 1912 is being replaced by the "Director of Distribution" or the "Vice-president in Charge of Distribution." In many organizations, the sales manager has become the "Field Sales Manager."

10. *The real functions of sales management.*—In spite of the fact that the scope of sales management has shrunk, the intensity of the work demanded of the modern sales manager has actually increased. The limitation of the sales management function has made it possible to set up the whole subject so that it may be mercilessly microscoped. The microscope already has discovered so many gross inefficiencies that there is no doubt that sales management is a man-sized job even in its narrowest scope. The alert organization is seldom blinded by an apparent prosperity and an increased demand for its products. It knows that sales efficiency in the field can be over-

estimated very easily, that digging deep will turn up many preventable and controllable wastes in personal salesmanship in the field.

Recruiting, selecting, training, equipping, assigning and routing salesmen, supervising the selling work on the field, paying and stimulating salesmen —these are the fundamental tasks of modern sales management. The direction and control of these activities are of the utmost importance. Moreover, the human factor is involved in a very special sense and degree. In no other branch of business activity has the management and direction of the human element received so little attention. In the plant and in the office, the constant aim has been to depend upon the human element to the least possible degree, and, where the human element must be depended upon, to improve in every way the conditions under which the work has to be done. The same aim needs to be applied to the task of managing the personal sales force.

11. *Neglected tasks in sales management.*—In many organizations, the problem of recruiting salesmen is given little thought or study. Additions to the force are haphazard and hit-or-miss. Salesmen are carelessly selected in spite of the fact that mistakes in selection are exceedingly costly, perhaps more costly than in the case of any other type of employee. A damaged prospect or customer is frequently more disastrous to a concern than a damaged product on the assembly line. All too frequently,

salesmen train themselves as best they can, gathering up, here and there, a bit of the house literature and a conglomerate collection of gossip about house selling policies. New recruits are sent into territories without physical selling aids, or with a few unattractive samples and a weather-beaten price list.

Salesmen are assigned to territories because of vacancies. No attempt is made to fit the man to the particular requirements of the individual territory or trading area. If the salesman is lucky, he falls into a territory that is rich in potential volume. If he is unlucky, he gets a trading area too large, too small, or too difficult for his experience. Whatever the territory, the salesman shifts for himself. Intelligent supervision and control are almost entirely lacking.

Volume of sales is set up as the sole standard by which to judge the individual salesman. There is little consideration of the relationship of the actual volume of sales secured to the potential volume of sales. In good territories, salesmen are overpaid; in bad territories, they are so underpaid that they become discouraged. Frequently the compensation plan makes absolutely no provision for much of the work of a non-interviewing nature that the salesman is required to perform. Stimulating methods, too, are neglected. Tom-toms are beaten vigorously, but the slipping salesman in the difficult territory needs more than noise if he is to renew his loyalty and rekindle his spirit. Surely, there is work to be done by the sales manager, sufficient to challenge the highest intelli-

gence, broadest human understanding, and most vigorous physical activity.

12. *Systematic study necessary for management problems.*—Effectiveness and economy in performing the selling job on the field necessitate systematic management. Systematic management, in turn, depends upon sound organization and the use of scientifically determined methods for the application of executive control. Sales managers must study each individual management element that is involved in supervising the field selling, and they must strive to develop a technique of bringing all the elements together into a smoothly functioning synthetic system. This necessity has been well stated by H. C. Bonney, vice-president of the Ruberoid Company, in his "Directing Sales" (The Ronald Press Company):

> Only occasionally have sales executives gone through every phase of the work and gained an intimate knowledge of all its working parts. Too few fully realize how complicated the work is but how much hidden strength can be brought out when every element is right and the work of every part thoroughly synchronizes with that of every other part. This lack of understanding is the reason why some particular phase of sales activity becomes almost a fetish with some firms, and the same phase is entirely neglected by some other firm. One firm will develop a bonus system which materially assists; another will place little dependence on remuneration. One will develop an inside sales organization which functions with great ability; another will allow that part of the work to be done by boys, but perhaps will select its salesmen with great care. One will develop an excellent esprit de corps among the sales-

men; another will drive them to a total neglect of every human consideration.

Management must be applied to the whole selling task and to its every constituent element. A well-rounded supervision and control of field salesmanship is one of the greatest distributive needs of the day for the medium, the small, and the large business enterprise.

13. *Qualifications of the sales manager.*—The essential qualifications of the sales manager are many. While they cannot be catalogued comprehensively apart from a consideration of the special needs of a particular company, they can be presented in general outline. In the first place, the sales manager needs to have a background of experience in personal salesmanship in the field, without which very few men can hope to be successful in the personal management of a field sales force. Sales managers who have sold goods on the road constitute an overwhelming majority of all present-day sales managers. And yet, no sales manager can long expect to hold his job on the strength of his record as a salesman. He must develop genuine managerial capacity; he must not remain a salesman.

The qualification of selling experience on the road should not be extended to mean record sales production in the field. In all probability, many former able salesmen, who will never be anything but salesmen, are filling swivel chairs in home offices today because

outstanding ability to sell goods has been so widely accepted as indicative of ability to direct and supervise field selling activities. Generally speaking, the salesman who has been compelled to study and work for every sale he has ever made will be likely to make a better sales manager than the volume producer who is blessed with native ability but does not know how or why he is successful. His very lack of patience and tolerance may make him a poor director of average and poor salesmen, and where is there a sales force that does not have its quota of average and poor salesmen? While, therefore, personal experience in selling is a desirable qualification, the important questions are: How much study has the prospective sales manager given to the selling job during his experience in the field? and, How likely is he to develop into a teacher of the principles and methods of personal salesmanship?

14. *The need for organizing ability.*—In the second place, the modern sales manager must be an organizer. He will be required to perform a variety of tasks and to control a variety of temperaments scattered over a variety of territories. He must organize to manage himself—to be able to divide his own time and attention between daily routine and advance thinking without allowing either to monopolize his time or energy to the detriment of the other. He must be able to operate from a central point and systematically multiply himself a dozen or more times.

The sales manager must do much more than merely sit back, tell the sales force what is expected of them, hold each man to his mark, and fire each man who fails to make good. He must guide the efforts of one and all by projecting systematic methods into the field through careful organization. He must find time for periodic trips into the field to get his own fingers directly on his markets' business pulse, and so come back to his desk with a refreshed mind for the more effective handling of his planning and his routine supervision.

Despite the need for system and organization, the modern sales manager must avoid automatic and machine-like executive control that holds no place for the individual treatment of the individual salesman. He is essentially a personnel worker, and it is his duty to develop salesmen, to strengthen the weak points, and to help them in overcoming their handicaps. Salesmen are human beings and not robots or chessmen. No two are exactly alike and no two can be handled in exactly the same way if the best results are to be obtained. One sales manager has put this matter tersely as follows:

> Sales management is school teaching with capital letters. Each salesman, if he has been properly picked, brings with him some plainly visible assets. He also brings many latent qualities. These latter the sales manager must be able to detect and develop. In proportion to his ability to do that, depends the success of the sales manager and also of the men who are in his charge.

15. *Value of comprehensive business knowledge.*— Finally, the modern sales manager must possess a comprehensive knowledge and sympathetic understanding of the problems of all departments of the business with which he is connected. He must never become too busy directing his salesmen, or worrying about his prospects and customers, to feel that he has no time to become acquainted with business details other than those that directly involve sales. Again and again, he will be called upon to hold his own in committee when the advertising manager, director of distribution, sales promotion manager, and representatives of the manufacturing, financing, credit and other departments meet to establish policies and adopt programs. If the sales manager is to exert an influence, he must be able sympathetically to understand and weigh the needs and desires of other department heads. When projects are proposed that are prejudicial to the company's sales efforts, the sales manager must marshal his information and arguments to meet the situation. The situation can seldom be met successfully unless the sales manager knows and understands the problems of the other departmental executives.

REVIEW

Summarize the differences between the type of sales management necessary during the period from 1900 to 1907 and the period from 1914 to 1919.

List the principal *line* and *staff* distributive activities.

What is the function of sales management today? List the detailed tasks involved in the performance of this function.

Explain why it can be said that, while the scope of sales management has narrowed, the duties of the sales manager have multiplied and increased in importance.

Expand the list of qualifications of prospective sales managers.

Note: The review questions throughout this Volume are for the personal convenience of the reader in testing his understanding of the chapter. It is not necessary or desirable for subscribers to submit written answers to the Institute except in a case where they may be uncertain as to their grasp of the question under consideration.

CHAPTER II

ORGANIZING FOR SALES MANAGEMENT

1. *The problem of organizing for sales management.*—The problem of organizing for sales management cannot safely be considered apart from the larger problem of organizing the whole marketing function. It should be obvious that this latter and larger problem must be approached with the aim of setting up an organization that will provide for the effective and economical operation of all the activities necessary to market the product after it leaves the manufacturing department. As has already been suggested, the three principal types of distributive activities for which provision must be made are:

(a) The line marketing activities, such as advertising and personal salesmanship
(b) The staff marketing activities, such as market research, market forecasting, and market planning
(c) The line distributive activities, such as packing, shipping, and storage

No standard organization can be presented and recommended because the organization must be adapted to the requirements of the individual business enterprise. The size and form of the market organization need to be suited to the work that must

be done, and they must be flexible enough to care for changes in amounts and kinds of work that cannot be predicted or anticipated with accuracy. Fundamentally, the problem involves the application of the principles of division of labor as fast as the work to be done justifies the specialization of men for various duties.

2. *Factors that influence structure of market organization.*—The structure of any market organization will depend upon the following factors as they obtain in a particular enterprise:

(a) Nature and size of the business
(b) Financial strength of the business
(c) Number of customers and prospects
(d) Buying habits of customers and prospects
(e) Marketing policies of the company
(f) Marketing methods of the company
(g) Personalities and capacities of executives

All of these factors are interrelated and continually overlap in their influence. Nevertheless, they deserve individual mention and individual consideration.

The nature and size of a particular enterprise determine to a large extent the amount of work to be done in marketing and the extent to which it is necessary and advisable to provide for the performance of specialized tasks by specialized personnel groups. The manufacturer of style goods faces a far different situation from that of the maker and seller of staple articles. The former must put his merchandise on the retail shelves as speedily as possible.

If his production capacity is large, the necessity for quick and extensive or volume selling is intensified.

Again, the financial strength of a business has a very definite effect upon selling policies and consequent selling needs. A manufacturer's financial resources largely govern his choice and use of trade channels. For example, even though he may feel it highly desirable to sell direct to the retailer, limited financial resources will make this impossible over any wide territory.

The number of customers and prospects also exercises an influence on the structure of the marketing organization. When a product is of the convenience type and is universally used and frequently repurchased, the sales force in the field must be large. When the possible buyers are few, the organization problem may shift from size of field force to quality of the individual salesman.

If the purchase of the product line involves a clash with firmly rooted buying habits, a considerable amount of education and demonstration may be required, and it may be advisable to push the sales effort as near the prospect as possible, irrespective of the trade channel used for the physical distribution of the line. If the customer or prospect demands special services in connection with the purchase of the particular commodity being marketed, this fact will have its influence on the character of the marketing organization.

The company's marketing policies, product, price,

and trade-channels are also important determinants. An "on consignment" resale price-maintenance policy, for example, will quite definitely complicate the marketing task. Then, too, the company's use of the marketing methods of advertising and personal salesmanship will affect the size and form of the marketing organization. Some concerns depend largely upon consumer advertising and attempt to go along with small field sales forces. Others reverse this method.

Finally, any organization of the whole marketing function generally needs to take into account the varying personalities and capacities of available executives. While the human element is of the utmost importance, the varying capacities of individuals should not be used as an excuse for departing too far from logical principles of organization. Nevertheless, many business enterprises appear to violate principles of sound organization solely because of the presence of capable executives and dominant personalities.

Because these factors combine in numerous ways and influence marketing organization in differing degrees, the charted structure of the complete market organization of one company is likely to differ sharply from that of any other. Nevertheless, a definite tendency is noticeable in many companies as they reach out and expand. This tendency is graphically presented in Fig. 1, "The Evolution of a Marketing Department."

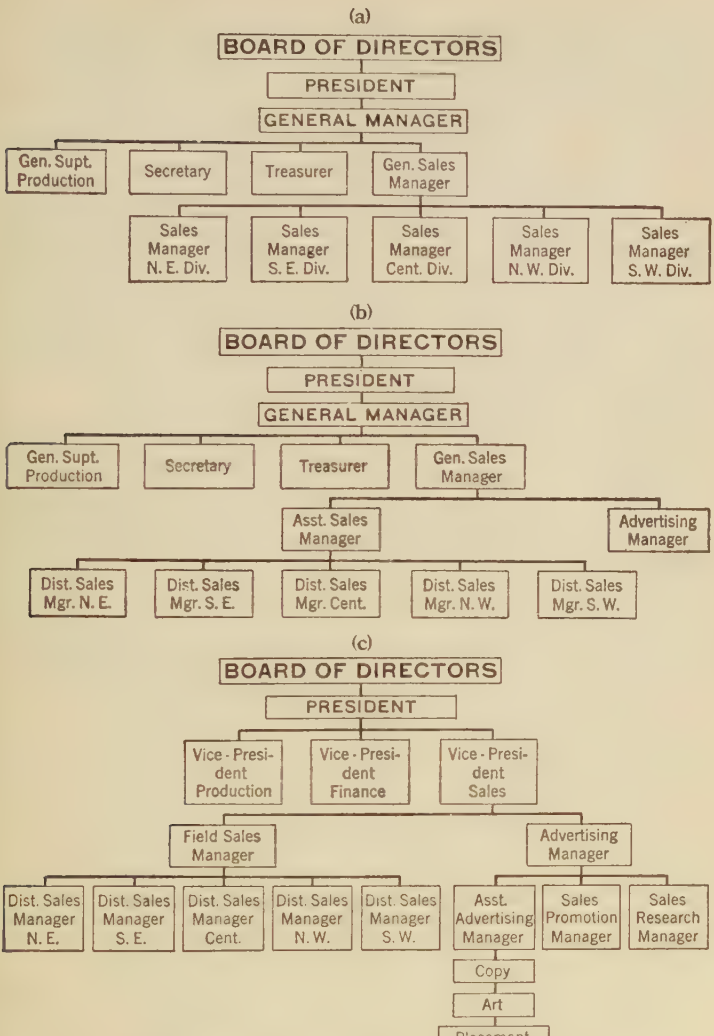


FIGURE 1 a, b, AND c—THE EVOLUTION OF A MARKETING DEPARTMENT: A GRAPHIC HISTORY OF THE CHANGES IN THE MARKETING ORGANIZATION OF A MANUFACTURING COMPANY

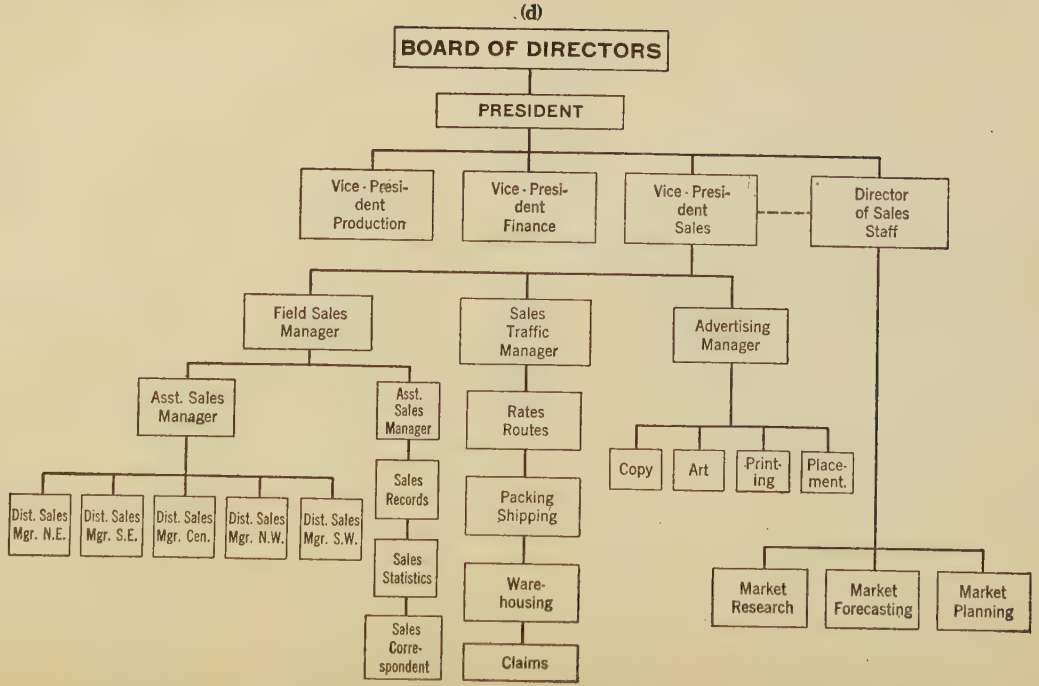


FIGURE 1 d—THE EVOLUTION OF A MARKETING DEPARTMENT

3. *Bases for division of selling task.*—In organizing for effective and economical marketing, three logical bases may be used in working out the division of the selling work to be performed. These bases are:

(a) Territorial
(b) Functional
(c) Product

The most commonly used basis of division is the territorial, in which subordinate sales executives are given charge of work in clearly defined market territories. This basis of division is used exclusively in the first stage pictured in Fig. 1. In the cases of companies that market their products abroad in any considerable amount, a further territorial division is usually made between the domestic and the export sales efforts. Generally, export selling and domestic selling are set up under separate executives.

The functional basis of division involves assigning particular phases of sales work, such as advertising, field sales supervision, staff direction, traffic control, etc., to specialized executives. It is the basis of organization that first begins to appear in the second stage in Fig. 1 and reaches its greatest development in the fourth stage. In this latter stage, however, the territorial basis is also present and is used in connection with the functional basis. In fact, in the larger organizations, one base is seldom used exclusively in the process of developing the plan and setting up the whole organization for marketing.

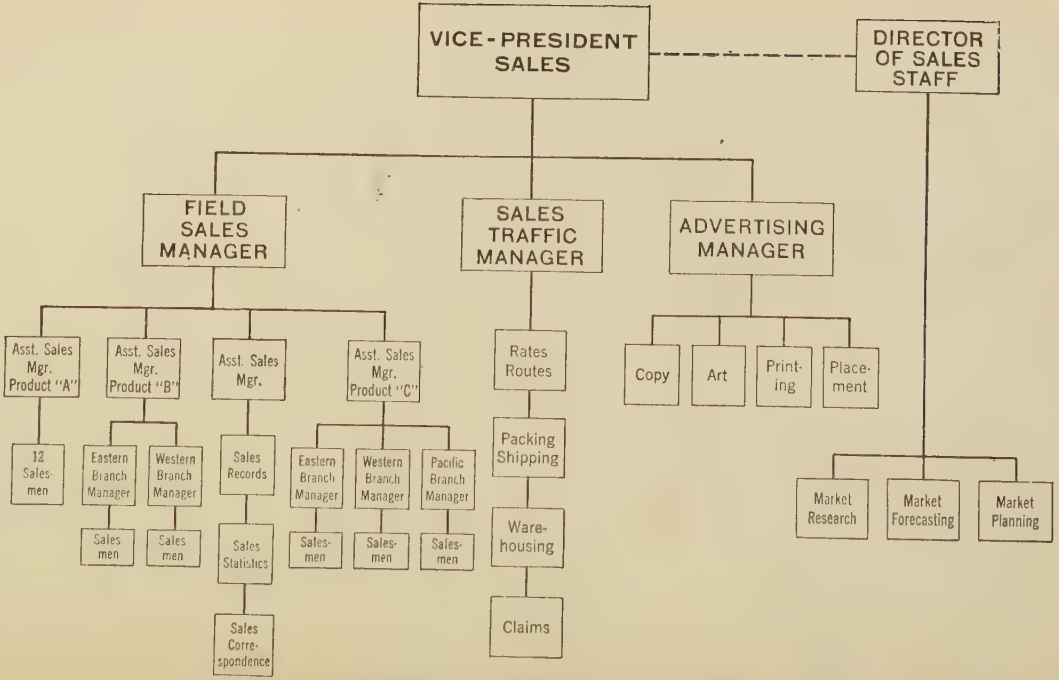


FIGURE 2—THE MARKETING ORGANIZATION OF A MANUFACTURER OF NON-RELATED PRODUCTS

The product basis of division involves assigning the sales work necessary for particular products or lines to specialized executives. It, too, may be used in combination with the other bases in working out a particular method of organization. In Fig. 2, which presents the organization plan of a concern manufacturing products of unrelated kinds, the use of the product divisional basis, the territorial divisional basis, and the functional divisional basis is shown.

The primary need in organization for marketing is more attention to the functional basis of division. If wastes are to be eliminated, the functional attack is an absolute necessity.

4. *Major types of field sales organization.*—While this discussion of the problem of organizing the whole marketing function could be prolonged indefinitely, enough has been said to serve as a background for an examination of the field organization of the sales department. And it is this phase of organization that directly concerns the field sales manager. In general, there are four major types of field organization. They are:

(a) The home-office type
(b) The branch-office type
(c) The division and branch-office type
(d) The division, branch, and crew type

This classification is roughly based upon the degree of connection between the individual salesman and

sales headquarters, or the number of steps through which direction and supervision must pass from field sales manager to salesman.

5. *Advantages and disadvantages of the home-office type.*—The typical field sales organization of the small company is the home-office type. It is the simplest type of organization in that each salesman reports directly to the field sales manager or an assistant manager located at the home office. The salesmen may or may not be required to live in the home-office city, but in either case they visit the home office at definite intervals.

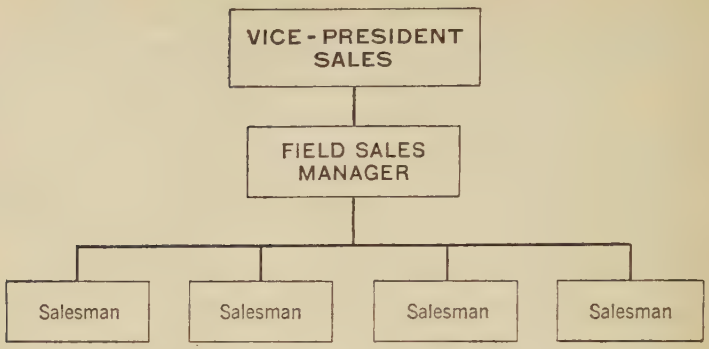
The advantages of this type of organization are apparent. The relations of the field sales manager to his men are direct and intimate. Each salesman visits the home office several times a year and the field sales manager is thereby enabled to know each man as an individual and to treat the problems of training, supervision, and stimulation on an individual-application basis. Again, this system of field organization tends to develop and hold the salesman's loyalty to his house, assuming, of course, that the home-office personnel is of a type that will compel respect. Frequent visits to the home office enable the salesman to know the house officials intimately and naturally. He thinks of it as a living and breathing institution deserving his best sales efforts.

As a business grows and spreads out into wider territories, the disadvantages of the home-office type of field organization assume considerable importance.

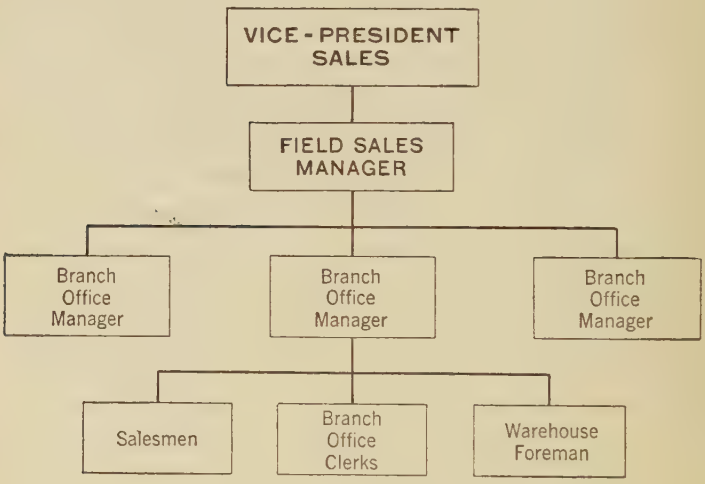
Selling over a wide area means that it is difficult and expensive to bring each salesman into the home office several times a year. As the salesman's trips grow longer, the problem of supervision increases. Moreover, taking the salesman off his territory for frequent trips leaves the territory unprotected and open to competitors for considerable periods of time. This was possible when dealers purchased in larger amounts and less frequently, but today both wholesalers and retailers practice hand-to-mouth buying and demand frequent visitation. Again, as the sales force grows, mail supervision from the home office is likely to break down and force the field sales manager to spend a disproportionate amount of his time in the field. Many executives contend that one man cannot economically and effectively supervise the work of more than fifteen salesmen, a ratio frequently violated under the home-office type of field organization.

6. *The branch-office type of organization.*—The branch-office type of field sales organization is created by the insertion of district or branch offices between the salesman and headquarters at strategic points, as indicated in Fig. 3. The salesman travels from and reports to the branch office city rather than to the home office. This type of organization makes possible the closer supervision of the salesman and provides more frequent contacts between the salesman and the directing executive.

Territories may be cultivated more intensively. As

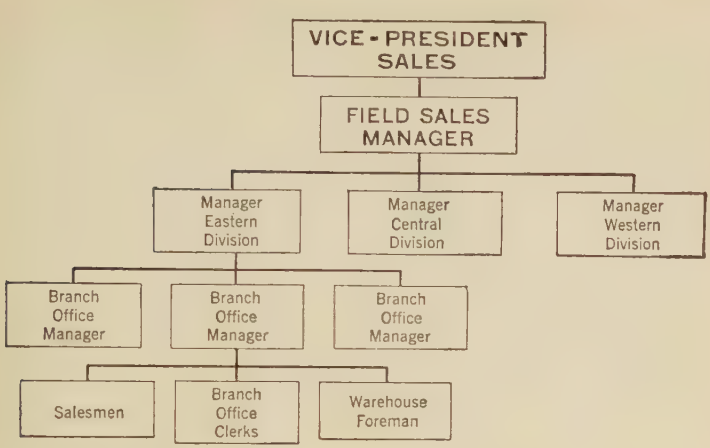


(a) Home-office Type

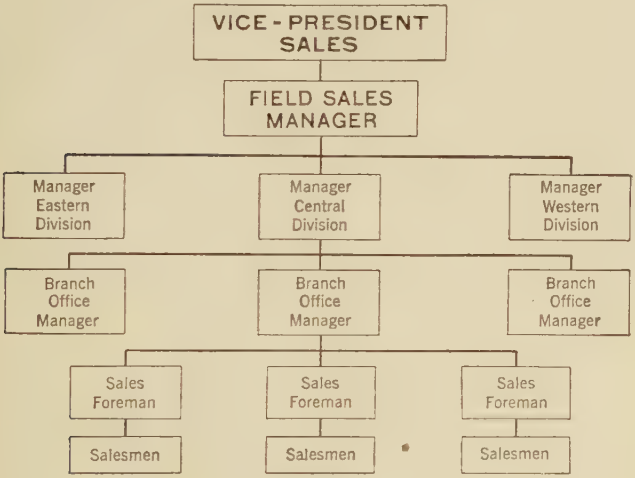


(b) Branch-office Type

FIGURE 3 a AND b—TYPES OF FIELD SALES ORGANIZATION



(c) Division and Branch-office Type



(d) Division, Branch-office and Crew Type

FIGURE 3 c AND d—TYPES OF FIELD SALES ORGANIZATION

market territories expand, it becomes desirable to carry stocks of merchandise at strategic points so that the buying dealers may be supplied conveniently and quickly. Moreover, if the product line is a branded one and nationally advertised, a framework of national distribution must be built up in order not to waste circulation that is purchased to cover definite territories.

The modern seller realizes that supervised market distribution under the branch-office system is a defense as well as an offense. He recognizes the fact that more than half of the people of the United States live in towns of less than 4,000 population and, consequently, he no longer claims 100 per cent national distribution on the strength of branches located in New York, New Orleans, Chicago, Minneapolis, Denver, and San Francisco. For products that thrive best on agency distribution because they demand expert service in installation, maintenance, or repair, scores and even hundreds of branch offices are necessary in order to achieve national distribution.

7. *The branch-office manager.*—The branch-office manager becomes a subordinate field sales manager, with his primary duty that of managing the branch sales force. Ordinarily, he will be partially or entirely responsible for hiring and firing, and more often than not he will be charged with sales training and stimulation. These latter duties, of course, will involve close coöperation with the headquarters at

the home office. Generally, the branch manager will also be given considerable responsibility in granting credits and in looking after adjustments.

It can be seen that the branch office may quickly develop into a complete and complex business organization calling for a high degree of executive ability in management. In the appointment of branch managers, then, caution must be exercised in basing promotion too exclusively on ability in field salesmanship. A star salesman who is promoted to the position of a branch manager will seldom make good in this position unless his managerial ability has been clearly demonstrated.

8. *Disadvantages of branch-office type.*—The disadvantages of the branch-office system increase in importance with the increasing size of the company. Overhead expenses are likely to jump. The record-keeping system may become highly complicated. The contact between the individual salesman and the house may be weakened. It is difficult to obtain a sufficient number of well-rounded branch managers. Moreover, it is a difficult undertaking to keep individual branch offices in line with standard and uniform market policies and practices. A branch office should be an integral part of the central sales organization. From the way in which branch offices frequently function, it would seem that in some companies, at least, they are separate monarchies. As one writer has pointed out, the business enterprise with a large number of branch offices is in the same position as

the chain store. It must evolve and put into operation a thoroughgoing system of branch supervision and control.

9. *The division and branch-office type.*—The division and branch-office type of field organization is created by the insertion of a divisional or district office between the branch offices and the sales headquarters at the home office. The salesman is thus removed two steps from sales headquarters. He still reports to the branch office, but the branch office reports to a divisional field sales officer, who, in turn, reports to the field sales manager at the home office. This type of organization is generally used by the concern that has definite need for a large number of branches.

Many manufacturers seeking rapid national distribution have discovered that their theoretical national coverage breaks down because of the failure of branch managers and of individual salesmen on the territory. Newly appointed branch managers prove capable in performing some functions but are decidedly ineffective in executing others. Some handle the desk and office duties of sales work ably enough but completely fail to handle correctly the men on the field. Consequently, individual salesmen are slow to respond to correspondence and branch-office supervision and training; and, frequently, they use even standardized selling material ineffectively and haphazardly. A large number of branch offices and of salesmen reporting to the branches makes it impossible for the field sales manager to correct these

weaknesses and inefficiencies by the one real remedy of personal contact. Hence, it becomes absolutely necessary to delegate, in part at least, his authority and responsibility to divisional field sales managers.

The divisional executives act as coaches to the branch managers. They visit the branches in their districts frequently and regularly. They check up on the application of methods suggested by the home office. They guard against varied and hit-or-miss practices among the several branches. They provide the home office with field information and vital facts that never come in on the regular written reports from the branches.

10. *The division, branch, and crew types.*—The division, branch, and crew type of field sales organization provides for still another intermediary supervisor between the individual salesman and the sales headquarters at the home office. In this system, a sales-crew leader or foreman is placed between the individual salesman and the branch manager. The sales force of each sales branch is divided up into small groups and placed under the partial control of a sales supervisor, crew leader, or foreman. There is practically no uniformity in the designated title of this crew leader or foreman or in his assigned duties.

In general, this type of field organization is used by those business concerns that do not need an extremely high type of salesman and whose selling problem dictates a regular, routine, and plodding

type of salesmanship rather than technical, demand-creating sales education. However, there is a marked trend toward the use of this type of field organization on the part of many large concerns to whom the foregoing statement will not apply. Modern market executives are certainly giving considerable thought to the possibilities of increasing profits by increasing the amount and kind of direct field supervision of small groups of salesmen.

11. *The sales foreman or crew supervisor.*—The sales foreman or crew supervisor ordinarily handles a group of from five to fifteen salesmen. He works with these salesmen individually. He shows them how to demonstrate the different groups of products, and how to use most effectively the standardized selling material furnished by the home office. He makes sure that they understand thoroughly all the house policies and why these policies are desirable. If the individual salesman is troubled by a particular kind of sales objection, the sales foreman attempts to show him how that sales resistance can best be met. When the company introduces new products, the sales foreman makes sure that his crew is instructed carefully in all the talking and selling points for the product that the home office has been able to discover. When moral, personal, economic, or family problems beset an individual salesman and reduce his efficiency, the sales foreman attempts to get to the bottom of the trouble and to devise some remedy for the situation.

In addition to working with his crew as a guide,

philosopher and friend, the sales foreman may be required to perform other functions that do not directly assist the individual salesman to make more sales. For example, the sales foreman may undertake to handle those customer adjustments considered undesirable for the regular salesman to handle. Again, the sales foreman may be expected to open a certain number of new accounts during some definite periods, new accounts which may be turned over to the regular sales force. When the branch office desires special information as to credits, market preferences, etc., the crew supervisor may be requested to take time from his routine work of supervision to gather the required data.

12. *Difficulties of division, branch, and crew type.* —This system of field organization will stand or fall on the competency of the sales foremen. Obviously, they must be carefully selected and thoroughly trained. Moreover, they should possess some active ability to train and stimulate the men under them. The close supervision of the individual salesman under this system is often looked upon with suspicion and resentment by the man on the job. A considerable amount of tact and diplomacy on the part of the sales foreman is absolutely prerequisite to securing the confidence of the crew and its consequent willingness to be instructed and led. Again, the field sales manager who uses this type of field sales organization must perfect a system of stimulation that will reach down through his subordinates and fire the

individual salesmen with a spirit of loyalty to the house, despite the irritations that may develop between the salesmen and their immediate supervisors.

13. *Product specialization within the branch-office types.*—It has been indicated that a product division may be relied upon rather definitely in dividing the work of selling. The use of the product division by a seller of non-related products is shown in Fig. 2. In this particular instance, two of the three product sales managers use the branch-office type of field organization. One uses the home-office type.

Our discussion of organization would not be complete without some mention of still another method of handling different products that need different types of salesmanship. Many companies which are using either the branch-office or the division and branch-office type of field organization do not attempt a product division of the selling task until the branch office is reached. In such cases, the branch offices supervise and control, in addition to a general force selling the entire line, a number of specialized salesmen, each one of whom is restricted to the selling of one type of product. Such an organization is graphically presented in Fig. 4.

14. *Field organization for the industrial manufacturer.*—The practice of one such company is especially interesting. This particular company manufactures and sells air-conditioning, power plant, lumber-drying, and industrial drying apparatus, steam turbines, and general industrial apparatus. Its

field organization is basically the branch-office type. The company has twenty-five branch offices throughout the country. The Boston, Philadelphia, Chicago, and New York offices have a field sales force of six specialists, one for each type of product sold by the company, besides a force of general salesmen who

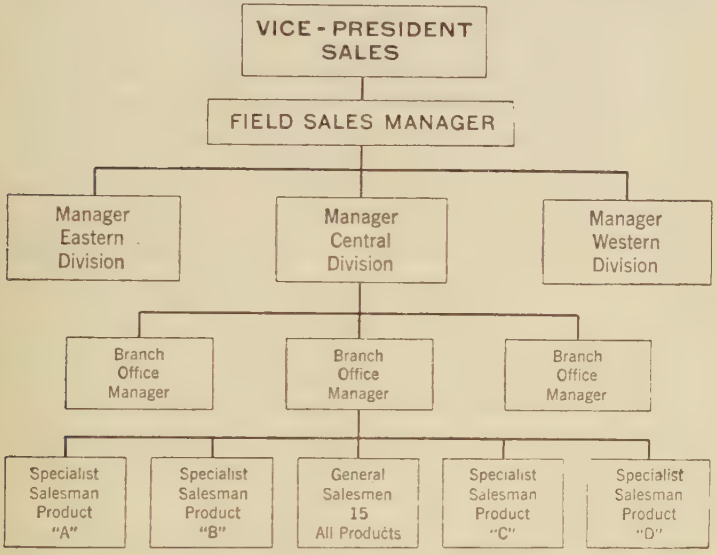


FIGURE 4—PRODUCT DIVISION APPLIED TO BRANCH-OFFICE ORGANIZATION

handle the whole line. All the other branch offices have a general sales force, but the number of specialists varies from branch to branch according to the need. The Dallas branch, for example, has only one specialist, who confines his efforts to cotton exhausters. Both the specialists and the general salesmen come directly under the supervision and control of

the branch-office manager. Specialists are restricted to their particular product lines but may go anywhere in the branch-office territory. The general salesmen are not restricted as to either product or prospect.

The disadvantages of this type of organization are the possibility of friction when both specialist and general salesman have had a hand in a sale, and the costs of duplication of traveling. The specialist and the general salesman will naturally cross each other's trails a great deal. However, the system does provide for aggressive and technical salesmanship on behalf of specialized products.

15. *Field organization is only a tool for sales management.*—While the problems of field sales organization are important, they should never be permitted to occupy executive attention to the point of excluding the many other essential phases of sales management. Systems of organization are tools for directing and controlling work. A liberal number of subordinate executives may appear to connote "big business" on the organization chart, but executives are costly playthings. Intricate and complex systems of organization are justified only in so far as they make it possible for the individual salesman to make sales more effectively and economically. The individual salesman is the important factor in field sales management. Selecting, training, supervising, paying, and stimulating him are the fundamental problems to be solved.

REVIEW

Discuss the principal factors that influence the structure of a particular market organization.

What are the possible bases which may be used in dividing the selling task? Rank these bases in the order of their importance.

Discuss and compare any two types of field sales organization.

Compare the functions of the sales foreman with those of a branch-office manager in the division, branch, and crew type of the field sales organization.

CHAPTER III

RECRUITING THE SALES FORCE

1. *Sources of sales recruits.*—The sales manager's first task in building an effective selling organization is the recruiting of salesmen. The type of individual desired for the selling task is largely determined by the type of product to be marketed and the type of customer to whom it is to be sold. Six important sources of sales recruits can be enumerated:

(a) Other departments within the company
(b) Salesmen who have been or are working with other companies, either with competitors or with companies in related lines
(c) Salesmen who have been selling dissimilar products to different classes of buyers
(d) Educational institutions—high schools, colleges, universities, technical schools
(e) Men who have had no selling experience, but who have been engaged in other lines of activity
(f) The unemployed

2. *Recruiting salesmen from within the company.*—Whether to select salesmen from within the company or from outside sources only is a matter of policy for the sales manager to decide. The recruiting of salesmen from other departments within the

company—production, credit, administrative, etc.—has certain definite advantages. Such a policy gives an individual company a good reputation. It is usually a high compliment to an organization to say of it that it was entirely built up from the inside. The building of a sales force from within the company is very likely to heighten employee morale throughout the whole organization, particularly since getting a place on the sales force or "going on the road" is the more or less cherished ambition of every worker who shares the common belief that the big money goes to the salesman. This advantage, however, has an accompanying danger. The production and other departments may lose in permanency and stability and may come to be regarded by employees as mere stepping stones toward the sales force.

The selection of salesmen from within the company is often particularly advantageous, if the product to be sold is of a technical or semitechnical nature. In such a case, men from the production department are acquainted with the details of the manufacture of the product and may make ideal salesmen. A well-known utility company which marketed its power to large industrial concerns found it to be extremely advantageous to build up a sales force from among its own engineers. Of course, the selling of power is largely a technical matter. The Sherwin-Williams Company, paint and varnish manufacturers, is another concern well known for this policy.

Two complementary advantages not infrequently

result: (a) The procedure may eliminate the necessity of an elaborate and expensive sales training course; (b) it may give opportunity for the careful observation of prospective salesmen before they are actually given full sales responsibility. The latter point is particularly emphasized by C. B. Mathes, sales manager of the Conklin Pen Company, who makes a practice of watching closely men in various departments of his concern who may show sales traits. Mr. Mathes further points out, however, that there is a certain danger in taking a man from an inside job and putting him on the road. In the shop or the office he has worked with a time clock. Miles away on the field he is likely to forget the value of time. Nevertheless, a man taken from within the company knows the company and knows the product. Making him proficient in the selling task may not be too difficult.

3. *Recruiting competitors' salesmen.*—In earlier years many sales managers made a practice of recruiting their field men by raiding their competitors' sales forces. This practice brought many good salesmen to their organization, but it was vicious and unethical. Today a man who raids a competitive organization is considered a business pirate. He becomes a target for all other organizations and soon finds himself an outcast in the field of sales management. However, it is not unethical, and never will be, to advertise for experienced salesmen to sell merchandise in any line, and most organizations today

use this method of recruiting men. Advertising is done in trade journals or through the daily newspapers, and, when men from other organizations apply for positions in answer to the advertising, then the recruiting has been done honestly and ethically. Men in any organization may become dissatisfied for one reason or another and look for an opportunity to change their connections.

The practice of recruiting salesmen from competitors often meets with difficulties. Unconsciously, a salesman is likely to retain loyalty to his old company. If he is an out-and-out salesman and has been successful with one concern, he is likely to have sold himself thoroughly and absolutely on its products; such an attitude is necessary for the successful selling of his clients. To make a complete about-face and sell himself on the competitor's line is not always easy. He may have further loyalties to the old company not immediately recognizable. He may be used to its way of doing things. He may have been in close harmony with the production manager, the advertising manager, the credit department—in fact, with everyone except the particular sales manager with whom he may have had a temporary disagreement. After changing, he may not immediately find this accustomed coöperation in the new company.

There is a further difficulty aside from the salesman's loyalty to the old company. If he has been with a competing organization for a long period, he may find it extremely hard to adapt himself to the

policies and methods of his newly adopted company regardless of his loyalty. He may not fit congenially into the new organization. He may prove to be a problem because he insists on doing things his own way, that is, his old company's way.

Some of these difficulties may not be experienced when a salesman is taken from a company selling a related line of products rather than a direct competitor. Nevertheless, such a salesman will not have had the advantage of experience directly applicable to his new job. Whether a salesman is taken from a direct competitor or from a company selling a related line, it is wise to allow the salesman himself to take the initiative in making the change. Even then the cautious sales manager will carefully investigate the whys and wherefores of his desire to change.

4. *Recruiting salesmen from non-competing companies.*—If the sales manager hesitates to recruit selling material from his direct or indirect competitors and still wants men with experience in salesmanship, he may turn to those who have been selling dissimilar products to different classes of buyers. The sales executive of the manufacturer or wholesaler marketing to retailers will not infrequently find that the retail clerk may have good potentialities for his selling force. A clerk, if he is wide awake, has grasped many of the problems which the retailer has to face. He knows the appeal of products to the ultimate consumer. Particularly, he may develop into the kind of salesman who is more than a mere

ordertaker. Representing the manufacturer or wholesale house, he will be able to draw on his retailing experience in showing his customers how they may market more goods to the ultimate consumer, and hence find it advantageous to place larger orders with the salesman's firm.

Often an enterprising company will recruit its salesmen from men who have been selling in what appears to be a totally different line of business, yet their experience and contacts may be very valuable to the recruiting company. An example of this is the procedure of the Addressograph Company of Chicago at the opening of the World War. Stock exchanges were closed, the bond market was dead. The Addressograph Company immediately began to recruit to its selling ranks men who had been selling bonds on commission, men who knew how to meet men of prominence, the very type of clientele to which the Addressograph Company wished to sell its products.

Of course, the question always arises as to whether the salesman, if he has been selling an entirely different product, can adapt himself to the new line. On this point Professor Harry R. Tosdal writes pertinently in his "Principles of Personal Selling" (McGraw-Hill Book Company):

> The extent to which the man experienced in a particular line may be successful in another line depends upon his ability to acquire the new knowledge and methods required. The fundamentals of selling are essentially the same; but

the applications, to be successful, may require the salesman of a highly technical line to have a broad engineering education, while in another line no more than a common school education may be needed. The difficulty of acquiring sufficient technical knowledge of the uses of a product and its relation to customers' needs to sell successfully is sometimes overestimated. More depends upon general level of intelligence and upon ability to use acquirable knowledge of the new line of products in relating the product to the wants of buyers than upon other factors. The inability of a man to deal successfully with classes of buyers higher or lower than his own level or the level to which he has been accustomed is frequently more important in barring transfer to new lines of selling than lack of knowledge of the product.

5. *Educational institutions as sources of salesmen.*—Another source of sales recruits to which sales managers often turn, and not infrequently find fruitful, is the educational institution. There formerly existed a rather wide prejudice among business concerns of all sorts against selecting college men to fill positions. Sales managers did not escape this prejudice. Whatever opposition there is to college men today is based on the results they accomplish or fail to accomplish, and not on prejudice.

As a rule, college men have much to their advantage. They are, comparatively speaking, men of trained intelligence. They have been taught to face a problem, analyze it, and solve it. Their personalities, too, are ordinarily better developed, more rounded, than the personalities of non-college men of the same age. As a result they are usually better

adapted socially. They meet people easily, get on good terms with them, and are usually able to master a man-to-man situation. These qualities stand them in particularly good stead as salesmen if they are to call upon a rather superior and cosmopolitan clientele.

It is undoubtedly true, also, that the services of college graduates can be obtained at a moderate compensation. Business executives, it is true, were at one time under the impression—and more or less justly so—that a college man expected not only to start at the top, but to do very little work. It can safely be said that the young man or woman finishing college today is a pretty stern realist and fully realizes, from the experience of his older college mates, that he is going to have to start from the bottom, prove himself, and even overcome a certain prejudice against him.

Of course, the sales manager should not expect a mere college education to produce any magical effect upon a particular individual. On this whole matter of hiring college graduates as salesmen, William S. Ashbrook, agency secretary of the Provident Mutual Life Insurance Company, has made a very penetrating observation. He says:

> College students of the same age in years are of varying degrees of maturity. If a man at graduation has shown that he has the amount of experience and business savoir-faire usually found only after the average man has been some time out of college, then this exceptional graduate

may begin to sell with success sooner than the average man. Collegiate training enhances natural ability, although where natural ability is lacking, it cannot supply the lack.

6. *Graduates of specialized schools.*—Another reason why sales executives are turning more frequently to institutions of higher education for recruits lies in the fact that an increasing number of universities and colleges has established schools of business. These schools ordinarily have well-defined courses in marketing and salesmanship. Such courses are often conducted not by mere theorists, but by men who have had actual business experience. Many members of the faculties of schools of business teach while also engaged in business and commercial pursuits. It is not surprising, therefore, that university schools of business turn out men and women better equipped than the regular arts college graduate to go directly into business with a short period of apprenticeship or with none at all.

If a company's products are technical or semi-technical in nature, like complex machinery or special chemical preparations, and if the technical superiority of the products constitutes a strong selling point, the sales manager may with advantage turn to the graduates of technical or engineering schools, from whom he may receive attractive offers to sell machinery and mechanical appliances. Electrical engineering graduates are turning for a like opportunity to the electrical appliance field. Textile manufacturing companies are canvassing the textile

trade schools in search of salesmen. Such specially trained men, when they become salesmen, at least know their product; some of them are likely to have general selling ability.

Even high school graduates in increasing numbers are being recruited as salesmen. Particularly is this true in retail selling and in house-to-house work. This trend is undoubtedly due to the fact that high schools, especially in our large cities, now offer courses in salesmanship.

7. *Recruiting men with no selling experience.*— Two other sources cannot be overlooked by the executive who is determined to exhaust every possibility in the recruiting of the best salesman material available. These are the men who have had no selling experience but who have been engaged in other lines of activity, and the unemployed. The sales manager of a large New York security house once said:

> If I am looking for new salesmen I make a habit to frequent the clubs of which I am a member. I keep an eye out for those fellows at the club who are good mixers, who seem to be on good terms with everyone, and who move jovially from group to group. Those men have contacts and know how to capitalize them. I watch my chance, approach them, find out what they are doing. Many of them are not actually selling. When they aren't I talk the situation over, present my proposition, and try to induce them to sell. I have found not a few good salesmen in this manner.

There are undoubtedly a great many born salesmen engaged in other lines of work who can be dis-

covered at social functions and gatherings by the alert sales manager. The social contacts of such men have given them a wide and well-developed acquaintance with the public at large and sometimes with just the clientele the sales manager is seeking to cultivate.

Everett R. Smith, advertising manager of the Fuller Brush Company, vigorously supports the policy of recruiting salesmen from other lines of activity. He writes:

> Where do the successful salesmen come from? Raw material for successful salesmen is to be found everywhere except in sales organizations. Many organizations today consider every individual of pleasing type, with a requisite education, a prospective salesman. They have long since given up trying to steal salesmen from one another. The supply of sales material is much vaster than we think. It requires but a little patience to find them, and then we have a wonderful opportunity of shaping this raw material without previous prejudice and unfavorable background and forming it along successful lines adapted to our own needs and purposes. Every trade and occupation is full of potential salesmen.

The far-seeing sales executive will not be a victim of the generality, "Any man who is out of a job is no good." Good salesmen, who find themselves without occupation at the moment through no fault of their own, are often to be found among the unemployed. The wide-awake manager may find among this class many selling bargains. Not long ago a successful sales manager, finding that his budget with which to build an organization was small, de-

cided to try an experiment. He needed men of middle age, with poise and considerable education. He decided to build his force from among those men who had encountered heavy financial loss at middle life, as so many often do, and were looking for a second start. From such material he built a successful sales force and built it within the limits of his curtailed budget. He brought to his force men of high personal initiative, poise, and background, and possessed of more constructive ideas than the average salesman of less general experience in the world. Of course, the successful carrying out of such an experiment requires not only specialized conditions but a sales executive of excellent judgment.

One may consider among the unemployed, too, students, housewives, and even children who may be looking for partial occupation after school hours or during summer vacations, or just in spare moments. Certain firms have found these sources extraordinarily fruitful. Notable among such organizations are the Curtis Publishing Company and the Larkin's Products Company. One advantage of obtaining salesmen from the unemployed groups is that their services can usually be secured at comparatively low prices.

8. *Recruiting devices.*—After the sales executive has decided from what sources he will fill his needs, he has to consider the choice of recruiting devices. Such devices, it should be remembered, are merely agencies for bringing sales managers in touch with

the different sources of potential sales material; they are by no means devices for actual selection of salesmen. There are four principal devices available for recruiting purposes:

(a) Unsolicited applications
(b) Placement bureaus and employment agencies
(c) Advertising
(d) Recommendations by the present sales force

Unsolicited applications constitute a device which necessitates no initial effort on the part of the sales manager. Such applications come from a variety of sources: from persons desiring, for one reason or another, a change from their present positions; sometimes even from salesmen in competing companies; from graduates of schools and colleges seeking, usually in the early summer, their first jobs; and from the unemployed. Many of these applications may come from individuals unfitted for any selling position, or at least unfitted for positions with the particular company to whom they may apply. On the other hand, there may be real "finds" among those who choose this method of getting a position. There is the interesting story of Marshall Field, who made an unsolicited application for a job and ultimately became the most highly valued member of his organization.

Unsolicited applications often show a high degree of personal initiative; they may indicate a genuine interest in a particular company; and the applicants may be persons of great potential loyalty to the com-

pany—a valued asset to the selling organization. Sales managers, too, often find it profitable to read with some care the "Situations Wanted" columns in newspaper advertising pages. A man who will go to the trouble and bear the expense of inserting an advertisement in a newspaper or trade publication may be endowed with a goodly amount of initiative and ambition.

9. *Placement bureaus and employment agencies.*—A second recruiting device is the placement bureau and the employment agency. Although the average agency specializes in routine workers—clerks and stenographers—it is to be remembered that salesmen can be recruited from many walks of life. There are, too, an increasing number of agencies who handle applicants for sales positions. Such bureaus or agencies save the sales manager much time and effort in the actual selection of salesmen by supplying a statement of the applicant's qualifications and his references before actual contact is made.

Aside from the usual commercial employment agencies, the sales manager may make use of certain special bureaus as, for example, the state and federal labor bureaus. A great many colleges and universities now maintain employment or personnel departments for the placing of students in part-time jobs, seniors looking for their first permanent positions, and even alumni. Many of these university bureaus are highly efficient and often prove profitable avenues for sales recruiting. Of late years, a

number of specialized employment bureaus has grown up, concentrating their efforts on clients desiring executive or at least high-salaried positions. In looking for an exceptional man, the sales manager might experiment with the services of one of these employment agencies.

10. *Advertising for salesmen.*—Advertising is a recruiting device of which many sales executives are finding it highly profitable to take fuller advantage. If advertising is properly done, it is a fairly scientific method of recruiting salesmen, as against the haphazard method of depending on recommendations, unsolicited applications, and applicants sent by placement bureaus. Advertising properly written and placed will get information from numbers of right men. In other fields of endeavor, it has proved to be one of the most powerful forces of our time. Many are convinced that it can be equally effective in the recruiting of salesmen.

The question arises as to what medium to use or where to advertise. The answer depends upon the particular situation involved. If it is felt that the recruits must come from the territory to be covered, then, of course, the newspapers in that vicinity offer the best medium. Nor can the judicious executive afford to overlook the possibilities of high-grade trade publications. They are "quality publications for quality people," and often for qualified people. Whether to use the classified columns or to run a display advertisement is another question to be set-

tled. Here, again, it may be said that, if the sales executive is looking for the exceptional man, he can well afford to spend the time and money involved in running a good display advertisement. It has been found by many sales managers that a display advertisement in a carefully chosen medium is well worth the price.

11. *How shall the advertisement read?*—An extremely important consideration is the kind of copy to be used. The copy must catch the attention and attract the right sort of applicants. It may be a straight description of what is offered or it may assume some feature form, making use of some ornamentation or dressing-up of the plain facts in the situation. Here, again, the kind of position, the kind of salesmen wanted, and the medium used are the determining factors.

When the Fuller Brush Company used space in the *American Magazine, Collier's,* and the *Saturday Evening Post,* its copy was adapted to each medium. In the *American Magazine,* the main appeal was based on the prospect's desire for self-development and advancement. In *Collier's* and the *Saturday Evening Post,* profits and earnings were stressed, with advancement and self-development as secondary considerations. Many classified advertisements appeal to the prospective salesman's desire for a better position. Others stress profits. These various appeals may assume feature forms, of which those given on pages 60 and 61 are illustrative:

(A) Conversation Type to Get Over Long Story

SALESMEN

The Credit Manager came into my office Thursday, and made a very good suggestion.

He said, "Why don't you tell some of the typical experiences our salesmen have? Take the case of some new man like R——, for example. I have okehed commissions so far this week of over two hundred dollars."

I answered, "The reason that I don't quote earnings of men is because there is so much 'bunk' written by the stock outfits, so that an earnest, big-earning salesman, the very man I WANT, is repelled by blatant claims and thinks we are selling stock or bonds or some investment propositions."

"But," insisted the Credit Manager, "everybody should know by this time that we make Asbestos Roofing."

So, on the chance that the man who reads this knows that we sell a tangible building material, I WILL recite the facts on a typical salesman.

He came in last week. It took him three or four days to polish off the canvass he had learned, but he has "kicked in" in proper style, and joined the "Producers Club."

There is still room for a few more men who can stand prosperity, who can knock off over two hundred a week and "keep going."

If you are big enough to make BIG money, you may be like the man I refer to above—his previous employers said that he was never satisfied with what he drew.

The trouble was that the man was limited as to WHAT HE COULD EARN by the nature of the product he was selling.

Here there is no limit, unless it is the LARGEST ROOF IN THE WORLD.

So you men who have sold but never had a proposition that would let you measure your full SELLING HEIGHTS, come in and see me.

Also, you men who KNOW you could sell if you had a tangible, logical PRODUCT to sell, I can find room for you.

Get in touch with me by phone EARLY MONDAY OR TUESDAY so I can arrange an appointment, make your talk "snappy" and when the appointment is made, come "on the dot."

(B) Personal Letter Idea

SALESMEN

The following is a personal letter recently written by our Mr. Peterson to his acquaintances in the selling field. We are taking this method of "Broadcasting" it so that it may make an appeal to other men of highest caliber with whom we have no means of coming in contact personally.

Jersey City, N. J.,
May 12, 1922.

I am sending this message to-day to you and to several other salesmen whom I count among my friends. I have two reasons for doing it: First, to let you know where I am and what I am doing; second, to tell you of an opportunity which I honestly believe to be unparalleled in American business to-day.

You don't need me to tell you that opportunities like this are not open long, and I feel so strongly that you should not miss it that I want you to take action at once.

You will understand that I have no desire to dissuade any man from any line of work in which he is happy, and in which he is progressively prospering. But life work is a serious matter. Happy the man who finds it before thirty. And thousands of men are waiting, just as I was, for what is clearly the chance of a lifetime—an opportunity so rare and so full of promise that to miss it means lasting regrets.

It is impossible to present this opportunity adequately in a letter. But I can tell you briefly this, the corporation with which I am now connected is the largest of its kind in America. It is backed by men whose names are famous the country over. It is expanding at a rate so rapid that more men of the right type must be secured at once. Twenty-five promotions have been made in the past few weeks. Executive positions are filled from the Financial Department, and it is in this Department—the selling end which handles our securities on a commission basis—that you will begin, if you come.

But you will not—unless you so desire—stay there. New positions are constantly opening up. And remember this—sheer merit is what advances here. The man is more important than the machine. Places are waiting for every man who proves his right to advance. And

no personal bias, no unfair play, will block your pathway.

I want you to realize that I am actually understating the case, as I prefer you to find the situation as it exists here more attractive than my limited description can make it. This was my own experience on making the connection, and I know it will be yours.

I can't impress on you too strongly the necessity of acting at once if you are interested.

J. E. Ross

Another question of policy regarding advertisements for salesmen is whether the advertisements should be blind or signed. A safe rule is to sign them unless there are good reasons for the contrary, such as the desire to conceal from a competitor the fact that the company is taking on new salesmen. In that case a post-office box number may be used. Of course, it may be a part of a sales executive's selection policy to make all applicants write personal letters for appointment.

Progressive sales executives in increasing numbers are finding it good policy to be specific in writing advertisements for salesmen. Whether a classified or display advertisement is used, whether it is straight or feature, whether it is signed or it is blind, they find it worth while to tell just what the job is, what opportunity offers, and to be particularly specific about the kind of man wanted.

12. *Recommendations from the present sales force.*—The final recruiting device to be considered is recommendations from the company's present sales force. There has been no small amount of discussion

as to whether the policy of encouraging recommendations should be followed. Some executives believe that salesmen are likely to recommend their friends and acquaintances from personal motives rather than with the welfare of the company in mind. One company had no difficulty on this score; practically all of its senior salesmen were stockholders. Not long ago Walter F. Wyman, general sales manager of the Carter's Ink Company, made an investigation of a number of concerns and put to each sales manager the query, "Whence come salesmen who make good?" The overwhelming answer was, "Through our own salesmen." The Baker-Vawter Company secures a large number of new salesmen through recommendations of older salesmen. This company has even prepared rather an elaborate set of instructions to managers for recruiting applicants to their sales classes.

REVIEW

State the advantages and disadvantages of recruiting a sales force from other departments of the company.

Do you believe it to be in general a good policy to take salesmen away from your competitors? Give your reasons.

Explain how you would proceed to recruit prospective salesmen from educational institutions for your company.

What is the chief advantage in getting suitable prospective salesmen from the ranks of the unemployed?

What kind of advertisement would you write, and in what medium would you place it, to secure a high-grade salesman for a cloak company selling to the larger department stores?

CHAPTER IV

SELECTING THE SALES FORCE

1. *The wastefulness of salesman turnover.*—One of the chief factors in wasteful marketing is the high cost of salesman turnover. To many sales managers, a high rate of turnover may seem necessary to the building of an effective sales force, but to what lengths and to what expense may not such a policy lead? A recent investigation by the Bureau of Personnel Research at the Carnegie Institute of Technology revealed that in one year the average turnover in the sales forces of thirty-five large and representative companies—and the figures were confirmed by estimates from sixty-three other concerns—was 85 per cent. The total number of salesmen represented in the thirty-five companies alone was more than twenty thousand.

How costly is an average turnover of 85 per cent? Consider the money cost alone. H. G. Kenagy, assistant director of the bureau which made the foregoing report, offers some startling computations. Normally there are at least 400,000 traveling salesmen in the United States. If to hire, train, and put each of these men in the field fully equipped costs no more than $200, and if the turnover is only 50

per cent a year, the annual added sales expense of this turnover totals $40,000,000. Even conservative turnover is costly. Specific cases furnish still more eloquent evidence. Says Mr. Kenagy:

> An office specialty concern, striving hard to build a capable sales force, is spending at least $600 on every recruit who completes the elaborate training program. The sales force now numbers 390 men; the turnover is 80 per cent. This company must therefore add almost $140,000 to its sales overhead.
>
> Training house-to-house salesmen doesn't cost as much as $600 each, perhaps. Suppose we put it at only $200. But one company, with an average force of less than 700 men, has hired almost 900 already this year and has lost over 800. The turnover figure is 130 per cent; the turnover cost must be somewhere near $180,000.

But money loss is not the only one resulting from a high turnover. Continuous hiring and firing of men take the time and attention of a sales department away from doing profitable and constructive work. Frequent changing of salesmen loses customer goodwill. And there is always lost man-power. All these are actual losses, though they may never appear on the company's books.

2. *Causes of a high rate of turnover.*—If a large salesman turnover is costly and wasteful, the sales manager interested in more profitable selling will hasten to discover how it can be avoided. The first step is ascertaining the causes of a high turnover, involving one or more of the factors of poor selection, poor training, poor supervision, or poor compensa-

tion. It is obvious that the best and most costly training in the world, the most careful and expert supervision possible, and a perfect system of compensation, will be of no avail and will raise the rate and the cost of salesman turnover, if these management methods are based upon poor selection. Clearly, the point of attack on the high rate of turnover is the proper selection of salesmen.

It is not such a far cry from the time when any sleek-appearing, vociferous, and glib man of the world was thought to be very acceptable salesman material. His "good line" and the apparent fact that he was a "hail fellow well met" were considered ample qualifications. Such a gentleman, it was believed—and his own testimony confirmed it—could sell anything from thimbles to threshing machines. There was a time, too, a considerable number of years ago, when any lot of material that looked reasonably good could go into the product. Today the forces of production call on all the available resources of science to insure that materials meet as exactly as possible carefully determined specifications.

Men are different from mere materials; they cannot yet be selected—and perhaps never can be—in the same manner and with the same precision. The selection of salesmen, nonetheless, has been systematized beyond the mere "hunch" method. A definite procedure can be worked out to discover certain things. The first step is to determine the desirable qualifications the prospective salesman must

possess to be engaged by a particular company.

3. *Qualifications basic to selection of salesmen.*—These qualifications will fall into three groups:

(a) Character traits bearing directly upon success in selling
(b) Intelligence or mental alertness
(c) Miscellaneous qualifications having an undetermined bearing upon success in a particular sales task

Certain qualifications, particularly those in the first group, are necessary to all effective salesmen for legitimate concerns. As to the second group, the degree of intelligence or mental alertness may vary with the particular selling task to be accomplished. Miscellaneous qualifications, the third group, will be determined by the particular selling task.

An absolute differentiation between character and intelligence is impossible, and both go toward determining in a particular individual that particular shading of temperament which we call personality. Everyone knows that many persons with apparently brilliant minds are dishonest, untrustworthy, and downright immoral; yet the mind which sets up such a standard of values must be lopsided and deficient. Likewise, an individual of apparently pleasing personality may have low intelligence, but the deficiency will soon become evident even in the individual's impressiveness. Lists of general qualifications for salesmen, however, usually emphasize both character traits and intelligence.

4. *St. Louis list of qualifications.*—The sales managers' bureau of the St. Louis Chamber of Commerce several years ago set up a questionnaire to determine the twelve necessary qualifications for a successful salesman. Copies of this questionnaire were sent to the 460 sales manager members. The answers made possible this compilation of a "Compendium of the Twelve Essential Qualifications of a Salesman":

Good Character:	Reputation, habits, integrity, self-control, reliability, truthfulness, honesty, fairness, loyalty, sincerity, sobriety, decency.
Personality:	Individuality, address, appearance, cleanliness, manners, voice.
Health:	Vitality, correct habits of life.
Mentality:	Education, openmindedness, common sense, understanding, native intelligence, native ability.
Concentration:	Application, tenacity, patience, perseverance, student, self-analysis.
Industry:	Energy, capacity for work, enthusiasm, optimism, ambition.
Self-Confidence:	Courage, preparedness, conviction of competency.
Punctuality:	Promptness in all dealings with customer and house; readiness of decision and action; brevity, directness.
Tact:	Intuition, sympathetic comprehension.
Initiative:	Power of origination, visualization.
Resourcefulness:	Alertness, observation, imagination.
Knowledge of Goods:	To include knowledge of business methods and policy of house, as well as of competitors.

The qualifications in the above compendium fall rather definitely under the heads of character traits or intelligence. Why those attributes falling under the first head are essential is almost self-evident. In salesmanship, more than in almost any other field of endeavor, good character in every sense of the term is necessary. The salesman is an ambassador of the company. Often to many customers and prospective customers he *is* the company; their impression of the company is their impression of the salesman. With the acceptance of a consistently higher standard of business ethics, men insist that those with whom they deal shall be reliable, truthful, fair, of high integrity, and good repute. A salesman must be trustworthy, since he is sent by his employer into the field with no one to keep a day-by-day check upon him, and an unreliable individual may, in such circumstances, do his employer irreparable harm.

So far as health is contingent upon correct habits of life, it is almost a matter of character. Likewise, industry, self-confidence, and punctuality may be considered as traits of character. That these are essential qualities which almost any salesman should possess is obvious. On the other hand, of the qualifications listed by the St. Louis bureau, mentality, concentration, initiative, resourcefulness, and knowledge of goods tend to fall under the head of intelligence or mental alertness.

5. *Importance of mental alertness.*—As has been pointed out, the degree of intelligence required may

vary with the selling task to be accomplished. The individual selling hairpins in a five-and-ten-cent store, of course, does not require the same intelligence as the individual selling high-priced factory equipment to purchasing executives. In general, however, native intelligence of a good order is required in most selling jobs and becomes increasingly necessary as selling moves farther and farther away from the mere order-taking procedure.

The progressive salesman of the present day is both a student and a creative artist, a student in analyzing the prospect's particular needs and in determining how the qualities of his particular product will fit those needs; an artist in the visualization of a particular sales situation and in calling all his resources into effective play. Mental alertness—a factor of intelligence—is ever necessary in selling. New ways and new channels of marketing must be quickly perceived. The answering of new or newly stated objections often becomes a rapid-fire process. More often than not selling is the matching of mind with mind.

Someone recently evolved the formula that success in selling equals two parts personality and one part brains. Although a differentiation of the two attributes is hardly possible, there are, however, certain characteristics which are commonly thought of as traits of personality rather than of either character or intelligence. Under such a heading could be grouped such qualifications listed in the St. Louis

compendium as individuality, dress, appearance, manners, voice, intuition, and sympathetic comprehension. The term "tact," usually thought of as a primary qualification for salesmanship, implies knowledge of human nature and the ability to cope with it. Even education, as distinguished from native intelligence, is often chiefly valuable because it has developed the personality and social poise necessary for a salesman to meet and deal with certain types of customers.

6. *Miscellaneous special qualifications.*—A third group of desirable qualifications covers those miscellaneous traits which have an undetermined bearing on success in a particular sales task. These qualifications have often been arbitrary, as when a sales manager simply believes that men over forty have not sufficient initiative to make good on his particular job. Another, motivated by intuition rather than by records, may believe that unmarried men are not possessed of sufficient stability to fill the bill successfully.

More often, and particularly in later years, the miscellaneous qualifications set up by a particular company are a result of its carefully kept records which tend to show that certain rather arbitrarily imposed qualifications over and above some general qualifications of character and intelligence are reasonably necessary to success in the particular selling task. Such miscellaneous qualifications do have a relatively undetermined bearing upon success in a

particular sales task; but, again, the measuring of men cannot possibly be as accurate as the testing of materials.

Some of these miscellaneous qualifications may result from the adoption of certain broad sales management policies. There is, for example, the question of policy—and it is a question partly of recruiting, partly of selection—as to whether experienced or inexperienced salesmen will be hired. Some sales managers prefer inexperienced men who otherwise meet certain qualifications. The inexperienced man usually brings with him no previously gained bias or prejudice. Such men, as a rule young and fresh from school, are easily handled; coming recently from educational discipline, they are accustomed to taking orders and learning from their superiors. It is not difficult to train them in the way the particular sales manager wishes them to be trained.

Men of experience, on the other hand, do not require a complete training course in the new job. They often have unfortunate prejudices which the sales manager must overcome, and sometimes they must unlearn certain ideas and methods before they are successful units of the new organization and are able to sell in the way which the new company wishes them to sell. Whether or not experience is to be one of the miscellaneous qualifications which a sales manager requires may depend on whether his concern is trying to break into new territory against keen competition. Experienced men may be neces-

sary to open a new market. Once it is established and the new product is acceptable and desirable there, new men may be able to hold the trade.

7. *The "star" salesman as a pace-setter.*—Another question of policy, which may result in a more or less arbitrary miscellaneous qualification for new salesmen, is whether or not the manager will attempt to hire the so-called "star" or the consistent "plugger." Some sales managers believe it advisable to have in their organization one or two stars to act as pace-setters. But any competent track coach will admit that most pace-setters are not capable of finishing the race.

The star is likely to have a flair for one-way cooperation; the company must do everything for him and make allowance for all his eccentricities. He is prone to consider himself a privileged character not subject to rules and regulations; he may want a better delivery schedule and the best credit terms for his customers; reporting to the main office may be just a nuisance to him; cultivating modest but potentially good customers he may think a waste of time—and the rest of the force asks why. The star may discourage the average man and jealousy may arise from true or exaggerated ideas about the size of his compensation.

8. *Influence of particular marketing needs.*—The miscellaneous qualifications are sometimes set up for reasons of a more specific character than the broad policies of sales management. A well-known pencil

company, for example, insists that its salesmen be over forty years of age, of good personality, and have a certain social poise. On first thought it might be concluded that almost anyone can sell pencils and that such qualifications are unnecessarily high. But this particular company is especially interested at the moment in getting the orders of such concerns as the Pennsylvania Railroad or the Western Union Telegraph Company for a whole year's supply of pencils. Purchases of this sort are of such size and importance that they are made by reasonably responsible and rather high executives in the particular organization approached, and men of such caliber will not listen to the sales talk of callow youngsters. The miscellaneous qualifications of this company, though arbitrarily set, are certainly justified.

The Phoenix Mutual Life Insurance Company has sent to all its agents certain rules for the selection of insurance salesmen. Among these rules are the following:

> We should then be certain that the prospective salesman realizes that the Life Insurance business is a profession, comparable with law and medicine and the ministry; that it should not be undertaken as an experiment, nor a makeshift; and that it is as vital to him as to us that he should help us satisfy ourselves in advance of the likelihood of his success. We must now assume our full share of responsibility for every failure.
>
> Impress upon the prospect the fact that we want only men who look upon the business as a permanent occupa-

tion. See that he gets a vision of the Social Service which our business renders and that to succeed he must know how to make the appeal to the hearts of men as well as to their heads; that to be successful in rendering this social service he must learn to convince men that protecting loved ones is an unselfish act. Many failures come through the experimental type who come into our business to "make money." Study of successful life insurance salesmen shows that men who make money are for the most part those who place the service rendered by insurance, first.

Age limits—24 to 38.

College experience preferred. Its equivalent if possible. Rare exceptions should be made.

Previous selling experience preferred but not required if other standards are met.

Men without previous insurance experience preferred, and no contract should be considered while a man is under contract with another company until his standing with such Company is accurately ascertained through the Agency department of our Home Office.

Rarely do men make a success in our business if in debt.

Few companies select their salesmen with more care than the Phoenix Mutual; there are undoubtedly good reasons back of these required miscellaneous qualifications.

Whatever miscellaneous qualifications are set up by a particular sales manager as standards by which he will gauge applicants for sales positions, they should be arrived at by some fairly definite and reasonably sound methods. What some of those methods are we shall now consider.

9. *Methods of determining standard qualifications.*—There are three methods or instruments for

arriving at a standard set of desirable qualifications which a prospective salesman should possess in order to accomplish a particular selling task. These are:

(a) The job analysis
(b) A study of the causes of failure
(c) The study and evaluation of the judgment of experienced persons concerning desirable selling qualities

The effort to analyze the job that salesmen in a particular organization are called upon to do represents the application of scientific management to distribution, particularly to selling. One of the cardinal tenets laid down in Frederick W. Taylor's "The Principles of Scientific Management," published in 1911, was that management should gather, record, and tabulate the great mass of traditional knowledge which in the past had been in the heads of workmen, and that from this knowledge management should develop a science for each element of a man's work to replace the old rule-of-thumb method. Needless to say, the salesman's job cannot be analyzed with the same minuteness of detail as the job of a machinist in the tool room, but some tabulation of at least the major things that a salesman has to do may go a long way toward determining the newcomer's qualifications, perhaps the miscellaneous qualifications in particular.

Two important questions arise when the sales manager or the sales-promotion department attempts

to make a job analysis of a particular selling task. Shall it be a duty analysis or a difficulty analysis? It is probably easier to determine what a salesman's difficulties are or the objections he has to meet, than it is to determine his positive day-by-day duties; he himself could enumerate the former much more easily than the latter. Of course, a thorough job analysis should take account of both duties and difficulties. There is, too, the question as to whether to make an analysis of only the major duties or to include subduties as well. When a sales manager is to use the results of job analysis in the selection of salesmen, he will gauge, if he can, whether applicants possess the ability to accomplish major duties; the analysis of subduties will be probably chiefly valuable in correcting deficiencies in the present sales force.

10. *The technique of job analysis.*—What are the tools for making a job analysis? The most obvious one is probably the interview with salesmen already on the force. Such a method may reveal something of how the salesman operates, but he is likely to emphasize his difficulties above his positive duties. Requesting a written statement or analysis from individual salesmen may have the same result. Perhaps a better method or tool is for the sales manager, or better still, some detached person, to observe various salesmen in their daily rounds. Such an individual may be able to tell what the salesman does, and how he does it, better than the salesman himself.

What form should a job analysis of the salesman's

task take? An idea may be gained from the following "Outline of Salesman's Job" compiled by the Bureau of Personnel Research:

A. Making the Sale
1. Gets acquainted with the prospect and gathers information concerning him
2. Plans the interview
3. Analyzes the prospect's needs
4. Demonstrates
5. Presents facts and reasons; answers objections
6. Appeals to buying motives during the interview
7. Fights competition
8. Writes sales letters and written propositions
9. Creates goodwill toward himself by talking on topics not related to his product
10. Solicits signed orders
11. Makes collections; determines prospect's credit rating
12. Helps other salesmen

B. Routine Duties
1. Follows instructions
2. Makes reports
3. Keeps records
4. Takes proper care of his equipment and stock
5. Keeps himself informed concerning latest prices, changes in product, etc.

C. Service
1. Installs his product
2. Trains operators
3. Trains dealers to resell
4. Helps dealers resell

D. Executive
1. Plans day's work
2. Plans ahead
3. Supervises the work of his assistant salesmen

4. Develops self-initiative by taking care of his health, by associating with successful salesmen, by studying, and by reading inspirational literature, etc.
5. Observes facts in his territory that have a bearing on the sales of his product
6. Gathers local sales arguments
7. Works out new ideas and makes suggestions to superiors

E. Creating Goodwill Toward Himself and His Company
1. Renders goodwill services that are not related to the sale of his product
2. Adjusts complaints and grievances
3. Participates in social affairs of his community
4. Boosts his company

How to make an analysis of salesman's detail duties is illustrated by the breaking up of one division of the above analysis, which follows:

Job Description

A. Making the Sale
1. Gets acquainted with the prospect and gathers information concerning him
When he is assigned to a territory he makes an office-to-office canvass to locate his prospects. Introduces himself. Gathers such items of information concerning prospects, as their credit rating, who has the authority to buy, their hobbies, their needs for bookkeeping, adding, and calculating machines.
2. Plans the Interview
As a rule, the first interview is not planned. Succeeding interviews are planned by doing one or more of the following:

(a) Prepares special forms adapted to the prospect's needs
(b) Prepares a written proposition
(c) Assembles samples of figure work and records that are used by firms in the same line of business as prospect
(d) Assembles a set of advertising circulars that apply to the prospect's business and needs
(e) Arranges a set time for the interview
(f) Determines whether the order department has sent a machine to prospect's place of business for demonstration purposes
(g) Examines machine to see whether it is in proper condition for demonstration
(h) Runs over in his mind the selling talk that he will present
(i) Discusses the pending deal with other salesmen or with his manager for purpose of getting suggestions

The job analysis is a positive method of determining the qualifications needed for success in a particular selling task; the study of the causes of failure of salesmen who have unsuccessfully attempted that task, may likewise reveal such qualifications and may supplement those brought to light by the job analysis.

11. *Sales failure studies.*—In 1922, *Sales Management* declared "Out of 2347 salesmen employed by leading concerns in twenty-seven lines of business during the year 1921, 1482 of them have already failed. This is 63%, nearly two men failing for every one that made good." A survey of the reasons for failure of this group of men revealed the following:

Cause of Failure	*Percentage*
Lack of industry	37
Discouragement	37
Failure to follow instructions	12
Lack of knowledge regarding line	8
Dishonesty	4
Poor health	2

The same publication studied closely 207 selected cases of failure. This investigation, the results of which are given below, showed a similar distribution of causes.

Cause of Failure	*Percentage*
Lack of industry	30
Failure to follow instructions	26
Lack of tact and courtesy	12
Lack of stick-to-it-iveness	8
Lack of confidence-holding qualities	8
Lack of knowledge regarding line	7
Unable to withstand the counter-offensive of buyers	6
Went stale	4
Poor health	3
Dishonesty	2
Miscellaneous	2

12. *Importance of industry in successful selling.* —It will be seen that "lack of industry" is a major cause in both analyses, which certainly indicates that a standard set of qualifications must place particular emphasis on certain traits of character. "Failure to follow instructions" also bulks large in these two analyses, a deficiency caused perhaps both by lack of intelligence and lack of certain character traits.

Winslow Russell, late vice-president of the Phoenix Mutual Life Insurance Company, contributed some eloquent testimony on the point of causes of salesmen's failure. The sales research division of his company set out to study, not the flat difference between salesmen who fail and salesmen who succeed, but the difference between good salesmen and excellent salesmen. A line was arbitrarily drawn between those who sold $250,000 worth of insurance a year and those who were admittedly good but sold less. Said Mr. Russell: "These studies showed indisputably that the differences between individual sales totals are almost entirely due to hard work."

Incidentally, scientific research on sales and sales methods has proved to be profitable to the Phoenix Mutual. In 1912 the company had 1700 salesmen who were producing only twenty million dollars' worth of new business per year, and in 1922 its force of 350 salesmen produced forty-four million dollars in new sales.

13. *Use of termination records.*—A particular method which the individual company may use to determine causes of salesmen's failures is the careful keeping of termination records. These will reveal with some accuracy why salesmen quit the job and furnish a fairly good index on the reasons for failure.

14. *Securing confirming judgments from experienced employers.*—The final method for evolving a standard set of qualifications is the evaluation of the judgments of experienced persons concerning de-

sirable selling qualities. Merely asking some experienced person to state the desirable qualifications for selling in general, or for a particular selling task, may not appear to be very scientific. But the method does have the advantage of getting a line on that faculty of judging men and their fitness for positions that no amount of scientific data will reveal.

George W. Lee, sales manager of the Todd Protectograph Company, several years ago sent out 300 questionnaires distributed as follows:

40 were sent to sales executives in the office appliance field
25 were sent to purchasing agents
25 were sent to advertising managers
200 were sent to other men in various business lines in the United States

The questionnaire made the request that each man should set down the two or three qualifications he believed more essential than any others for a good salesman to possess. The results revealed the following:

Qualification	*Percentage*
Knowledge of product	26
Sincerity	17
Hard work	16
Honesty	13
Personality	7
Tact	7
Ability to make a prospect understand	4
Ambition	3
Good health	3
Service, persuasiveness, and education	3

Generally, experienced opinions are valuable as confirming indicators of the qualities to be desired in new salesmen. Such opinions, however, should not be relied upon to the exclusion of the more scientific methods of setting up a standard list of desirable qualities.

REVIEW

Name the principal causes of salesman turnover.

Discuss the relative importance of the three major groups of selling qualifications.

Show how a standard list of desirable qualifications may be set up for a particular company.

Discuss the type of failure analysis that may be useful in establishing standards of selection.

What is the value of the judgment of experienced persons in indicating desirable qualifications?

CHAPTER V

SELECTING THE SALES FORCE (*Continued*)

1. *Choosing the technique and tools of selection.*—After the sales manager has determined the desirable qualifications which the prospective salesman should possess, and after he has reduced these to a standard set, the next step is choosing a technique for measuring how closely the prospective salesman meets the terms of the standard.

The first tool which the manager will use in his technique of selection is the personal-record or application blank, an important device for the measuring of applicants. As Leverett S. Lyon has said: "To do its best work the application blank should be more than a mere formality. It should be prepared so that the information given by the applicant possesses the qualities called for by the established standards."

The application blank will not reveal all the qualifications called for by a firm's established standards. Such information regarding character traits or intelligence as the application blank reveals should be verified by the personal interview, tests of mental alertness, and other tools of selection.

The application blank is of immediate value, however, in ascertaining whether the prospective salesman

possesses the miscellaneous qualifications which the company has established, perhaps as a result of its experience with various types of salesmen, perhaps as a result of the dictation of certain circumstances in the company's particular selling situation. A well-known insurance company, for example, discovered by a careful study of records that success in its sales force was most likely to come to men possessing the following qualities: They should be from thirty-three to thirty-eight years of age, should be married, should have two or more dependents, should have grammar and high-school but no college education, should have been out of school more than nine years, and have had more than six years of experience, hold membership in five or more organizations, own their own homes, and have three or more investments besides life insurance.

In the case of the pencil company cited in the preceding chapter, the fact that they wished to sell pencils, not just to retailers or jobbers, but to responsible purchasing executives of large organizations who would buy a year's supply at a time, dictated, they concluded, that their salesmen should be over forty years of age, with more than usual education, and of some experience. A well-devised application blank will tell whether a particular prospective salesman meets such requirements; if he does not, the subsequent task of interviewing or going farther with him in the selection procedure will no longer be necessary.

2. *The form of the application blank.*—Since, perhaps, the main service of the application blank is to reveal whether a salesman measures up to the miscellaneous qualifications required by the standards of the particular company, each company will find it advantageous to devise its own blank. A blank devised by the Dartnell Corporation of Chicago, after studying the best features of the blanks used by some twenty other firms, is used by several hundred concerns in the United States. This blank is reproduced as Fig. 5.

3. *The use of the application letter.*—One of the most important features of the Dartnell blank is a request for a letter in which the applicant sets forth briefly the reasons for desiring a connection with the particular firm. Such a letter will reveal whether the man is merely trying to land the job on impulse, because he thinks there is big money in it, or whether he has actually considered the situation and has reasoned out what the firm offers as opportunities, and whether he is particularly adapted to take advantage of them.

He is also asked to state in the letter why he thinks he would make a successful representative, and why he wishes to change his present position. The first question almost amounts to a "self-grading" test, a practice which many executives have found unsatisfactory. Few men, even if strictly honest, can form a correct estimate of themselves. The second request, that he tell why he wishes to leave his present

Application for Sales Position

_____ 19 __

Name in full_____

Present address_____ Telephone_____

Permanent address_____ Telephone_____

City_____ State_____ How long have you lived there?_____

Date of birth_____ Place of birth_____ Birthplace of father_____

Nationality or lineage (English, Scotch, Irish, Hebrew, etc.)_____

PHYSICAL RECORD	GENERAL INFORMATION
Age_____	Single, married, divorced, widower or separated?_____
Height_____	If single, are you engaged to be married?_____ When?_____
Weight_____	How long married?_____ How long separated?_____
Color of skin_____	Children?_____ Other dependents_____
Color of eyes_____	Do you live with parents?_____ Board_____ Rent or own home?_____
Color of hair_____	What rent do you pay?_____
Any defect in:	Do you own real estate?_____ Value $_____ Incumbrance $_____
Speech_____	Do you own stocks or bonds?_____ Value $_____ Incumbrance $_____
Hearing_____	Do you own a car?_____ Make?_____
Sight_____	Do you carry liability insurance?_____ Amount?_____
Feet_____	Have you any loans or debts past due $_____ Particulars_____
Other_____	
Have you taken recent physical examination?_____	Have you any other income besides what you will receive from us?_____
For what purpose?_____	What insurance do you carry?—Life $_____ Health $_____ Accident $_____
Did you pass?_____	Have you ever been employed by us before?_____ In what capacity?_____
How much time have you lost through illness in past two years?_____	What are your church affiliations, if any?_____
What is present condition of your health?	Name relatives in our employ, if any_____
	Name personal acquaintances in our employ_____
	Have you ever been bonded, and for what amount?_____
Are you willing to take physical examination?_____	Has bond ever been refused?_____ If so, why?_____
	Can you give a surety bond (at our expense)?_____

Partnell Standard Form—SA2—All Rights Reserved - 1939

FIGURE 5 a—FORM OF APPLICATION FOR SALES POSITION, PAGE ONE

General Experience and Education

Name of grammar school_____ Year graduated_____

Name of high school_____ Year graduated_____

Name of college_____ Year graduated_____

Name of night school_____ Course taken_____

Special study courses_____

At what age did you leave school and start to work?_____

Did you earn all or any part of your college expenses?_____

What languages other than English do you speak?_____

RECORD OF BUSINESS EXPERIENCE

From	To	Name of Employer (Show Present Position Last)	Address	Nature of Work	Weekly Earnings	Reason for Leaving

Are you an American citizen?_____ Were you ever in Army or Navy?_____

To what military organizations, fraternal lodges, or similar organizations do you belong?_____

What is your "hobby" or favorite recreation?_____

FIGURE 5 b—FORM OF APPLICATION FOR SALES POSITION, PAGE TWO

Particulars of Selling Experience

Are you at present employed?_____

Name of last or present employer_____

Reasons for leaving_____

Does last employer claim any unpaid balance against you?_____

What territory did you cover?_____

In what territories have you had more than six months' experience?_____

With what territories are you most familiar?_____

What territory do you prefer?_____

What classes of trade have you sold?_____

How many concerns have you worked for in past three years?_____

What experience have you had in our line?_____

Sales for past year_____

What compensation do you expect, and in what form?_____

CHARACTER REFERENCES

Do not refer to mere acquaintances, previous employers or relatives. Refer to people who know you well, either personally or in business

NAME	OCCUPATION	ADDRESS
1		
2		
3		
4		

FIGURE 5 c—FORM OF APPLICATION FOR SALES POSITION, PAGE THREE

In the space below, briefly set forth why you desire a connection with this house and why you think you would make a successful representative:

It is understood and agreed that any agreement entered into between this Company and the applicant is predicated upon the truthfulness of the statements herein contained.

Signature of applicant

NOTE If this application is made by mail, applicant should attach a recent photograph properly identified.

FIGURE 5 d—FORM OF APPLICATION FOR SALES POSITION, PAGE FOUR

position, can seldom be accepted at face value; it should be checked by communication with former employers.

4. *The usefulness of references.*—This brings up the question of the usefulness of references. Most employers make a practice of requiring references of some sort from applicants for selling positions. There is a wide variance among the opinions of sales executives as to what kind of references should be sought and how they should be obtained. It is generally agreed that letters which the applicant carries with him addressed "To Whom It May Concern" are not of much value; they are usually obtained from friends or persons under some obligation to the applicant. A more satisfactory method is to write to the former employers named in the application blank.

Should the individuals or firms from whom references are sought be asked to write a letter on the subject or merely fill out some sort of reference form? One sales manager strongly favors the former method. He argues that if an executive is to take the trouble to write or dictate a letter, he will give considerable thought to it and make known more important and significant facts than if he is bound by the mere "yes" or "no" questions in a reference form. There is also the argument that an individual's qualifications cannot be stated by a mere "yes" or "no," or by "good," "fair" or "bad." Most of us are not "black" or "white" but shade into the "grays."

On the other side are those—and they are probably

in the majority—who favor the use of some kind of standard reference form. The arguments in favor of it are obvious. It can be easily filled out; it tells exactly (supposedly) what the prospective employer wishes to know; and the resulting information can be easily grasped. Most standard reference forms are devised particularly for use in seeking information from former employers. A standard reference form developed by the Dartnell Corporation is shown in Fig. 6.

5. *The interview as a tool of selection.*—The information which the application blank and the reference form may bring out regarding a prospective salesman's character traits and intelligence should be confirmed by other tools of the selection technique. In the main, the interview will be found to reveal the character traits that bear directly upon success in selling; this, perhaps, can be said to be its chief service as a tool of the technique of selection.

It is indeed the oldest and most used instrument of selection. It varies from an informal talk, in which the sales manager attempts by intuitive judgment to size up the man, to a formal standardized procedure, in which one or more sales executives may attempt to find out certain definite things by a preconceived method.

The first essential in a successful interview is that the applicant shall be so handled that he will reveal all he possibly can about himself. This requires that he be put entirely at ease and that his artificial de-

To_____ File No._____

_____ _____ 19__

_____

The man named below has applied to us for a position as_____
We would consider it a favor, both to the applicant and to us, if you will give us your opinion of him. There is always a tendency for all of us to give a former employee a good send-off, which greatly diminishes the value of such communications. On the other hand, a frank exchange of information or the expression of opinion concerning applicants for positions will assist in reducing turnover among employees and the expense incident thereto. It is fairer to the applicant, too, for with a knowledge of his weaknesses, the new employer can develop the man more readily and perhaps prevent his failing in the new work. If you will fill out this blank in the same way you would expect us to fill it out for you, we shall greatly appreciate it.

Signed_____

_____

Name of Applicant

Address

CHARACTER QUALIFICATIONS	GOOD	FAIR	BAD	REMARKS
1. Is he a hard worker?				
2. Is he honest?				
3. Is he enthusiastic?				
4. Is he truthful?				
5. Is he courteous?				
6. How is his health?				
7. Is he ambitious?				
8. Has he a good memory?				
9. Is he resourceful?				
10. Does he stick to his work?				
11. How about his habits?				

GENERAL QUALIFICATIONS	YES	NO	REMARKS
12. Were his services satisfactory?			
13. Was he a consistent producer?			
14. Did he cooperate with office?			
15. Did he "wear" with customers?			

How long was he in your employ?

Why did he leave your employ?

Other Information

Use back of this form for any information not covered by the above.

Signed_____

Firm_____

Dartnell Standard Form—SA6—All Rights Reserved—1935

PRINTED IN U. S. A.

FIGURE 6—FORM FOR REFERENCES OF SALES APPLICANTS

fenses be broken down. Many sales managers accomplish this by encouraging a man to talk freely about himself, to tell willingly his life story.

Just what to ask an applicant in an interview obviously depends upon what the interviewer wishes to find out. The same consideration dictates what the interviewer shall tell the applicant. If he wishes the applicant's reaction to the particular selling problem involved, he must describe or at least outline the proposition. One sales executive of a paint company using a particular merchandising plan framed a series of six questions to bring out facts showing how well the prospect would fit into the plan. The questions were:

(a) Why do you think you can sell our line of paints?
(b) What is your theory of advertising?
(c) What kind of advertising in your opinion is the best for the merchant?
(d) What have you done personally to help move merchandise from the retailer's shelves?
(e) Why should I give you preference over the 200 other salesmen who are applying for this position?
(f) How much do you think you should earn in this job?

The executive's theory was that the first question revealed the seriousness of purpose of the applicant; the second and third questions evoked answers indicating whether the salesman fitted into the merchandising plan; the fourth, which the executive deemed particularly important, indicated the salesman's

merchandising ability; the fifth, also important, revealed aggressiveness; and the sixth question was designed to make the salesman classify himself.

The single informal interview at best, however, admits of a wide possibility of error through guessing and depending too much on first impressions. The defects of this type of interview have been no more eloquently demonstrated than by Walter Dill Scott, who some years ago made a very interesting experiment for the American Tobacco Company.

He assembled sixteen managers who regularly employed salesmen for that concern, together with twenty-nine applicants for sales positions from whom fifteen were to be chosen. Each of the managers was asked to use his own method of interviewing, but to rate each man as first, second, third, etc. Interviewer No. 1 rated the first applicant as eighteenth among the twenty-nine. Interviewer No. 2 rated the same applicant in ninth place. Other interviewers ranked him as fifth, twenty-first, second, third, eleventh, and so on. Similar disagreement occurred with the other men interviewed. In the whole procedure, there was close agreement only in the case of the bottom man.

6. *Systematizing the interview.*—Of course these were unstandardized interviews, that is, no particular system was used in rating the men; the individual interviewer's judgment was the only criterion. In the effort to overcome the possibility of error thus incurred, the personal interview has been systema-

tized and formalized in various ways. The three main developments in this direction have been:

(a) Insistence on more than one interview of the same applicant by the sales manager
(b) Insistence on a policy of having more than one executive interview the applicant
(c) Standardizing the interview by use of judgment blanks and rating charts

The policy of insisting on more than a single interview of each applicant by the sales manager has not a few arguments in its favor. A salesman possessed of a magnetic and attractive personality may persuade the sales manager in a single interview that he is fit for the position; later interviews may show up important defects. Certain individuals are able to sell goods or services on an initial visit, but are weak on follow-ups or repeat orders.

Many executives favor not only the policy of having more than one interview with the applicant, but also the establishment of a sort of jury system. In an interview, one individual will get a response which another will not. The jury system eliminates another danger, namely, the tendency of an individual to judge another by what he believes are his own best qualities. Sales managers are not exempt from this very human trait, and are likely to employ a man who seems to have the possibility of succeeding in selling as a result of possessing traits similar to the sales manager's, and this regardless of flagrant defects which the man may have. Conversely, a man

who might be potentially a good salesman runs the risk of being rejected if he is not endowed with what the sales manager believes to be his good qualities. The jury system obviously eliminates this danger.

7. *Judgment blanks and rating scales.*—Some firms, particularly those using the jury system of interviewing, find it advisable to make use of a system whereby the conclusions of interviewers can be recorded and checked. The chief forms ordinarily employed for such purposes are the judgment blank and the rating chart. Figures 7 and 8 show the rating scale prepared by the Dartnell Corporation, and the judgment blank employed by Procter and Gamble.

There are two methods of making use of these forms. The first is for the sales executive, before interviewing applicants, to rate the five or six best salesmen in his present force according to the standard set up in the rating scale. If the interviewer, for example, is using the Dartnell scale, he will grade perhaps one of his star salesmen as good in "physical qualities," good in "character," fair in "address," fair in "intelligence," good in "determination," perhaps good in his "power to impress favorably," good in "wearing qualities," perhaps poor in "executive qualities," and good in "knowledge of the line." Each of his star salesmen will be rated according to the interviewer's best judgment. He then has rather definite criteria by which to rate the applicant. Perhaps the applicant will compare favorably with the

RATING SCALE FOR SALESMEN APPLICANTS

To be filled out for use as a standard in judging candidates for positions as salesmen and returned to General Sales Manager

_____ 19____

Applicant's Name _____

INSTRUCTIONS	GRADE (Good—Fair—Indifferent—Poor)
PHYSICAL QUALITIES: Disregard every characteristic except candidate's physical qualifications. Consider how he will impress customer by his physique, vitality, powers to endure hardships of traveling, general health, etc.	
CHARACTER: Consider stability, freedom from bad habits, loyalty to previous employers, regard for authority, veracity, sincerity, straightforwardness and points indicative of power to win and hold confidence.	
ADDRESS: Consider applicant's ability to express himself clearly, ability to employ good grammar if necessary, sureness of statement, voice culture, forcefulness of speech, etc.	
INTELLIGENCE: Ability to grasp and solve problems presented to him, mental alertness, imagination, observation, mental elasticity, natural aptitude and kindred points.	
DETERMINATION: Consider here reasons for candidate wanting position, his desire to make money, tenacity of purpose, pugnacity, ambition.	
POWER TO IMPRESS FAVORABLY: Consider facial expression, courtesy, cheerfulness, personal neatness, poise, enthusiasm, voice culture and kindred points influencing a customer's first impression.	
WEARING QUALITIES: Consider his sympathy, consideration of the opinion of others, ability to listen as well as talk, terminal facilities, tact, optimism and general good fellowship.	
EXECUTIVE QUALITIES: Consider candidate's business training, business habits, power to concentrate, memory, desire to grow, receptiveness to new ideas, analytical powers, initiative, vitality, decision, judgment and breadth of view.	
KNOWLEDGE OF LINE: Consider previous training, education, knowledge of conditions, materials, markets, selling methods, customer's problems, competition, and similar qualifications.	

Signed _____

Dartnell Standard Form S A 9—All rights reserved

FIGURE 7—RATING SCALE FOR SALES APPLICANT [1]

JUDGMENT BLANK

FOR RECORDING INTERVIEW WITH THE PROSPECTIVE SALESMAN

Prospective Salesman ..... Date of Interview .....

District ..... Interviewer .....

Keep this blank before you for guidance in interviewing the applicant. Do not make any notations on it during the interview, but fill it in completely as soon as possible after the interview is over.

Directions: The following questions ask for your judgment of the prospective salesman on a number of different points. Before attempting to record your opinion on any item **read and consider carefully** all the descriptive statements under the line to the right of each question.

Indicate your opinion on each quality by making a check (√) on the line, just where you think it ought to be. For example, if in Quality 1 you think the prospective salesman is a little lower than indicated by the statement "appearance satisfactory", but not quite low enough to be recorded "gives somewhat unfavorable impression", then put the check mark on the line somewhere between these two places.

1. How does his appearance impress you, especially his facial expression, physique, carriage and neatness?

Creates fine impression | Good appearance | Appearance satisfactory | Gives somewhat unfavorable impression | Makes a poor appearance

2. How do applicant's manners impress you?

Cultivated, pleasing | Agreeable | Unnoticed | Awkward, ill at ease | Rough and grating

3. How would you describe the applicant's voice?

Disagreeable | Weak | Unnoticed | Agreeable | Pleasing

4. To what extent does the applicant participate in the conversation during interview?

Takes a leading part | Initiates some points of discussion | Fairly responsive | Hardly more than answers questions

5. Does applicant return your gaze steadily? Does he look you in the eye?

Eyes shift continually | Gaze somewhat uneasy | Usually returns gaze | Gaze never wavers

6. Has he a good command of language? Does he use good English?

Talks easily; uses wide vocabulary perfectly | Sometimes at loss for words—makes common errors | Limited vocabulary; uses bad grammar

(Turn to other side)

FIGURE 8 a—JUDGMENT BLANK FOR SALES APPLICANTS, PAGE ONE

7. How does he speak of former employer?	Denounces bitterly, shows disrespect	Criticizes, airs his grievances		States frank opinion respectfully	Mentions their good points; admits own faults
8. What is your opinion of his character and integrity?	Absolutely trustworthy	Character high	Character as good as general average	Character somewhat doubtful	Character possibly unreliable
9. What degree of determination does he seem to possess?	Strong determination in spite of difficulties	Shows grit	Shows some determination	Is somewhat easily discouraged	Gives up in face of difficulties
10. Does he give evidence of initiative? Has he ever started and carried through anything on his own responsibility?	Strikes out for himself		Shows some originality		Waits to be directed
11. What degree of imagination does he seem to possess?	Sluggish imagination		Originates some ideas		Full of ideas
12. How familiar is applicant with modern retail merchandising problems?	Wide retail experience; knows dealers' troubles	Some retail experience; serious student of problems		Has given retailing some thought; has hazy ideas	No experience No knowledge No interest
13. How hard do you believe he will work at selling?	May loaf on the job	Will tend to take things fairly easy	Will be satisfactory worker	Will work systematically	Will be consistent, hard worker
14. How do you rate his physical fitness for strenuous sales work?	Great stamina; will almost never lose day from work	Good physical trim; energetic; eyes bright, skin clear		Fair health; little reserve energy; subject to minor ills	Anemic; sickly; or too fat; can't stand hard work or bad weather

Remarks:

FIGURE 8 b—JUDGMENT BLANK FOR SALES APPLICANTS, PAGE TWO

first of his star salesmen in "character"; on the other hand, he may be on about the same level as his second star salesman in "wearing qualities," and so on.

The other method, probably most usable with the judgment blank shown in Fig. 8, is for the interviewing executive simply to set up more or less of an ideal standard for a good salesman and to judge the applicant accordingly. It must be concluded that, if the sales manager has the necessary facilities at his command, he will have everything to gain and nothing to lose by making his interviewing system as complete and scientific as possible. He should even keep, in most cases, a careful record of the salesmen he has hired, and check performance against interview judgment, and modify his interviewing methods accordingly.

8. *What the interview tells.*—Just what information will the interview yield? We have said that it will probably indicate in the main the character traits of the applicant. Conclusions about these can be drawn from the interview. The sales manager can discover whether the man has a strong constitution, good health, whether the applicant is fat and jovial, or lean and wiry and hence industrious. He can tell whether the man has an attractive appearance, what his social accomplishments are, and a number of other things pointing to rather definite character traits.

Some sales managers use the interview to discover sources of rather unusual references. One executive

asks questions such as these: "How long have you lived in your neighborhood? Who is your landlord and what is his address, if you do not own your own home? Are you buying an automobile or furniture on terms? Who is your family grocer and how long have you traded with him? Have you a bank account?" The information revealed by the answers to these questions is followed up in the belief that from those with whom the man lives and deals can be ascertained the best information regarding his trustworthiness and reliability. The interview has wide possibilities and, if properly used, is an extremely important tool in the technique of selection.

9. *Tests of intelligence and mental alertness.*— Although the application blank and interview may determine whether the prospective salesman possesses the necessary miscellaneous qualities and character traits for the position, there still remains the task of determining whether he has the essential intelligence or mental alertness. Many sales managers believe that the application blank and the interview give sufficient information on this score, but there are many more who have found it profitable to make use of the scientific tests of intelligence and mental alertness devised by the psychologists.

So-called scientific tests for intelligence or mental alertness are usually based on the experiments of two French scientists, Binet and Simon. During the World War, tests based on experiments of these scientists found wide popularity in this country, and

numerous adaptations of them have been made in the last decade. They are, for example, extensively used as a part of the procedure in testing students for admission to many institutions of higher learning. The pioneer in adapting these tests for determination of the native ability or mental alertness in applicants for sales positions is Walter Dill Scott, noted psychologist, now president of Northwestern University. Certain companies, notably the Phoenix Mutual and the Equitable life insurance companies, Procter and Gamble, and the Dennison Company, use them in testing prospective salesmen.

Such tests are usually of two types: (a) tests of general intelligence; (b) tests of special abilities, particularly of those required in performing the activities for which the applicant is being considered. Especially elaborate tests of the suitableness of an individual for a particular vocation have been worked out by N. L. Hoopingarner of New York University, A. J. Snow of Northwestern University, and others.

10. *What the tests determine.*—The psychological tests ordinarily do not attempt to evaluate vocational fitness, but rather, according to Professor Snow, "to gauge objectively such capacities as attention, perception, learning, memory, imagination, and reasoning." Typical questions in such tests give a series of adjectives like *good, long, wide, smooth,* and ask the applicant to write the opposites of these words. Another type of question tests ability in mental arith-

netic by asking the applicant to add quickly an arbitrary number like 17 to each of a series of unrelated numbers. For arithmetical ability, there are also such questions as, "At fifteen cents a yard, how much will seven feet of cloth cost?" Attention and quickness of perception are tested by asking the applicant to fill in blanks in a paragraph according to extremely minute instructions. A test of memory may require the identification of the companies with certain reproduced slogans.

It is at present impossible to draw general conclusions regarding the efficacy of such tests as tools in the technique of selecting salesmen. Numerous companies report that the possibility of error in the choosing of men having the necessary degree of intelligence or mental alertness can be reduced by their use. Since the tests vary considerably, the safe plan is for a company to try out several types of tests on their present sales force, check the results against the actual performance of the salesmen, and thus determine whether there is any relationship between the test scores and the results achieved in selling. If a test can be secured which seems to show such relationship, the company is warranted in trying it on applicants.

Psychologists admit that the use of the tests, and particularly their specialized use, is still in the experimental stage. If the time ever comes when scientific tests can be devised to determine, not only the applicant's intelligence, but also qualities necessary to

success in the task he is to perform, it will be a great boon to sales managers and personnel executives.

11. *Technique versus haphazard method.*—The application blank, the interview, and the so-called scientific test are the three tools or devices most often used in the technique of selection. However imperfect they may be, their use certainly represents an advance over the old haphazard method of selecting salesmen. The scientific selection of individuals for any position is still a field which requires a great deal of study. However, the far-seeing sales manager will avail himself of every device and method of even partially demonstrated value that is likely to aid him in the choosing of the right men for the jobs he has to fill. Cost accountants have made all too vivid the extravagance of high salesman turnover, and, as was stated at the beginning of the preceding chapter, the point of attack of high turnover is the proper selection of salesmen.

REVIEW

List the definite information about the prospective salesman that the application blank should give.

State the value of having the prospective salesman include a letter in his application.

Would you have individuals whom the application gives as references reply by letter or fill out a reference form? Give your reasons.

Outline a successful interviewing system and explain each step.

Explain how judgment blanks and rating scales should be used.

Discuss the supposed value of the so-called scientific tests of intelligence and mental alertness.

CHAPTER VI

TRAINING SALESMEN

1. *The born or made salesman controversy.*—Despite the increasing popularity of training courses in selling, the question, of whether salesmen, like poets, are born or made, is still in certain circles one of heated controversy. To those salesmen and sales managers who believe with conviction that certain men are endowed with abilities at birth, sales training is a superfluity and a waste of time and money. The sales manager of this persuasion usually believes, too, that he knows one of these fortunately endowed mortals when he walks in the door; hence, any technique of selection is just as useless as training. Such points of view represent the extreme right wing in the "born-or-made" controversy.

There is also an extreme left wing, comprising those who believe that any normal human individual can be taught and trained to become a highly efficient and successful salesman. The opinion of this wing, probably as a reaction to the convictions of the right wing, reached the height of its popularity several years ago, and there are still those who wholeheartedly accept the statement made by William Maxwell in the *Printers' Ink Monthly* in 1921: "If a salesman

would accept instruction and constant rehearsal with the same good grace that the traditions of the stage require of the actor, it would be comparatively easy to develop any intelligent person into a good salesman." If such a statement were generally valid, thorough selection procedures and techniques would again be superfluous. Born salesmen, believes the right wing, do not exist. Reasonable intelligence plus proper training equals good salesmen—such is the formula of the extreme left.

There is also a center or a middle ground that has proved for many to be, literally as well as figuratively, the golden mean. The salesmen and sales executives making up this middle-ground group hold that, in selling as in most human activities, the great majority of individuals are successful because a certain degree of native ability has been conditioned and directed by proper training. They admit that star salesmen are probably born—there are geniuses in all walks of life—but contend that producing salesmen can be made.

The middle-ground group further contends that the star as well as the potential producing salesman can profit by the right kind of training. Still further, this group believes in careful selection on the ground that not every man, even every intelligent man, may become a producing salesman. To such contentions this text subscribes. Belief in the training of salesmen is based on the conviction that the changed business conditions of recent years demand

it, and that the results achieved by companies intelligently trying it demonstrate its worth.

2. *Competition necessitates sales training.*—There is need of emphasis on training under the present distributive system for several reasons. Competition today is extremely keen in the marketing of almost all kinds of manufactured goods. A few years ago even staple goods were selling in an expanding market; in fact, salesmen could be simply order-takers. Today a particular line must be *sold,* that is, it must be preferred to the lines of competitors. Abler and better informed salesmen are needed; for many companies careful selection and intelligent training have produced them. The increase in the number of specialties sold has also introduced into the selling task complexities and difficulties that are evidently most easily and economically ironed out by training.

A complementary cause for emphasis on training is to be found in the fact that the standard of living has in the last few years been appreciably raised, a condition which has made it possible and feasible to sell to increasing numbers of people numerous goods for which no demand is present until sales pressure is exerted. To take advantage of this condition, the successful salesman has found it necessary to divert the customer's buying interest into channels the customer has not himself planned to use.

The increase in the size and complexity of business, coupled with the tendency to institutionalize individual businesses, furnish another set of causes for

the recent emphasis on training. When a company increases in size, the sales force naturally becomes larger. Personal supervision of salesmen on the road becomes impossible; to make up for this necessary deficiency, training courses are established. With increase in size, businesses have become complex; there is more for the salesman to know about his firm, and conscientious study may prove for his house and for him the most economical method of learning it. Policies and methods of each company have become individualized; a salesman must know his company's policies on product, terms of sale, delivery, credit; he must have particular knowledge. Salesmen today must know not just how to sell; they must know how to sell the products of their particular company—and this means training. "The National Cash Register Company," writes Henry C. Link, "does not train its salesmen in the art of selling, but in the art of selling National Cash Registers."

3. *Results of sales training.*—What have been the results of intelligent sales training to the companies that have tried it? To produce even a fraction of the evidence would require several volumes. The testimony of two nationally known and successful companies is eloquent. When the Chevrolet sales training plan was inaugurated, Chevrolet salesmen sold an average of twenty-four cars a year. After a year of systematic training, the average jumped to thirty-six cars annually, with a further jump to forty-six cars per man the following year.

Probably the pioneer in the inauguration of systematic training for salesmen was the National Cash Register Company under the leadership of its noted president, the late John H. Patterson. That company has found, since the inauguration of its present system of training, that 78 per cent of its salesmen make good.

It is a far cry indeed from the state of affairs where approximately 100 companies report—as they did to the Bureau of Personnel Research of Carnegie Institute of Technology—an annual turnover in their sales forces of 85 per cent, to a condition where 78 per cent of the National Cash Register's sales force stick. Careful selection, it can be reiterated, is the point of attack against wasteful sales turnover, and few companies select their salesmen with greater care than the N.C.R. But the second step in combating unnecessary sales turnover is by properly training carefully selected salesmen.

After three years of a systematic sales training course in the Chevrolet organization, the percentage of salesmen who had been working for the company for as long as a year doubled in spite of a 100 per cent increase in the sales force. Other companies report similar reductions in salesman turnover as a result of the establishment of training courses.

4. *Factors that influence extent and kind of sales training.*—Granted the usefulness, even the necessity, of systematic training of a company's sales force, what should it cover and how and when should it be

given? Each company must decide for itself, but several factors should be considered in reaching a decision. The most important of these factors are:

(a) The difficulty and complexity of the selling job that is to be performed
(b) The amount of general training and education required of new salesmen who are added to the sales force
(c) The previous selling experience required of new salesmen
(d) The type of buyer that the salesman must meet and sell

A number of things determine whether or not a particular selling task is complex or difficult. The nature of the product has a bearing on this. A simple, non-technical article whose use is immediately apparent is, of course, easier to sell than a technical, complicated product that must be described and whose uses must be explained. It is likewise easier to sell a widely advertised line with an established goodwill than an unknown and unbranded product in the market. It is also easier to sell a staple than a specialty product. A highly competitive market also requires better salesmanship. The salesman should be sufficiently trained to meet the particular selling problem involved.

Another factor to be considered in determining the extent of sales training to be given is the amount of general training and education required of individual additions to the sales force. The prospective machinery salesman who holds a degree in chemical en-

gineering will obviously not have to spend so much time learning about the product as would the ordinary intelligent layman. High-school graduates will require more training in salesmanship than college graduates, other things being equal. By the same token, the graduate of a liberal arts college may require more training of all kinds than the man with a degree from a university school of business administration.

5. *Required selling experience.*—The next consideration in determining the extent of the sales training course will be the previous selling experience required of applicants on a particular sales force. Both general selling experience and experience in selling a similar or related line are determinants. The man who has been selling food products for one manufacturer may transfer to a competitor serving the same customers, requiring, therefore, little or no training for the new job. A retailing clerk may start selling for a manufacturer whose customers are retailers, and will need much less training than one totally unacquainted with the retailing field.

Again, consider the case of the man who has had wide selling experience in related or even different lines from those handled by the company to which he is applying for a position. Although he may have to be given particular information and training about the product of the new company, selling ability is usually adapted to a different product without too much difficulty; hence the training period of such an

individual may be short. Of course, it is sometimes harder for a man to unlearn than to learn. If an experienced salesman has acquired a set and habitual way of doing things with one company, it may be harder to mold him to the plans and policies of the new company than it would be to mold an entirely inexperienced but intelligent individual with some selling ability.

Finally, the type of buyer which the salesman is to meet and sell determines to a degree the amount of training he will require. The salesman whose job involves meeting professional buyers must have more information about the product than the salesman meeting buyers with no technical knowledge. Training costs money, and the employer must decide what amount of training will not only result in better selling, but in sufficiently better selling to justify the expenditure for such training.

6. *Content of any sales training program.*—After the extent of a sales training plan has been determined for a particular organization, a decision must be reached as to what content is to be covered in the plan, that is, what knowledge is to be provided for the salesman. In almost any plan, four broad divisions of content must be covered:

(a) Knowledge of the product
(b) Knowledge of the house
(c) Knowledge of prospective buyers
(d) Knowledge of the technique of salesmanship

How much should a salesman know about the

product he is selling? This is a controversial question among sales managers as well as among salesmen. Many sales managers dismiss the salesman making such an inquiry with the easy retort, "You can't learn too much." It is probably more satisfactory to lay down the rule that the salesman should know enough about the product to enable him to sell it; that is, not only to sell it under ordinary circumstances, but to make that unusual sale, which he might otherwise miss, where the prospect has expert knowledge of the kind of product he is being offered.

The latter point bears illustration. The average automobile salesman today is ordinarily not well versed in the fine mechanical features of the car which he is selling; in fact, his company may not stress such information in the training given him. The excuse given for this lack of knowledge is that automobiles are no longer bought on the mechanical superiority of one make over another. Mechanical superiority is not, sales managers and salesmen contend, a selling point.

It is forgotten that some sales which are lost might be closed on the point of mechanical superiority. As one executive has said: "How does an automobile salesman know, for instance, that even the woman prospect is not a technician and is genuinely interested in the ramification of the various mechanical units that make the car? He may wait on ninety-nine women . . . and all they are interested in is comfort, color scheme . . . the things that appeal to vanity.

But how about the one-hundredth woman who wants to know more, who asks serious, logical questions?" And that one-hundredth sale on the part of every salesman would be the one needed to make the office quota!

7. *Details of necessary product information.*—Moreover, it must not be forgotten that, with the increase in larger business units, trained buyers are more and more in evidence. Professional buyers may often ask a score of embarrassing questions about technical construction and other features of a product if a salesman is inadequately trained. Hence the sales manager who only reiterates, "You can't know too much about the product," might find it advantageous to check up on just what knowledge of the product the salesman has been given during his apprenticeship.

Has he been informed about the raw materials from which the product is made—where they come from, what their peculiarly advantageous qualities are, how they are brought to the factory? All this is not only informational, but often makes an interesting and dramatic story. Has the salesman been allowed to follow the procedure of manufacture—the processes necessary, the equipment used, the assembly system, what methods are used in packing, inspecting, and shipping? The whole story may be a strong selling point.

And after the product is finished, what does the salesman know about it then? The salesman of the

National Cash Register Company can install the machines, show the purchaser how to operate them with the greatest efficiency, tell him how to care for them, point out special and perhaps unthought-of uses. He knows, too, the particular machine in the line best adapted to each class of users. He does not stop there, however. He knows not only his own product, but the products of his company's competitors.

Sales executives who contend that salesmen may be given too much product information fear that their men will tend to bore prospects with a long rigamarole of technical explanation in which the prospect is not interested and may, in consequence, be bored to the point where he loses what interest he did have in the salesman's offer. There is truth in the contention. But this objection to giving salesmen product information is largely met, if the salesman is not only given the information during his training but is also taught how to present the information to his prospects briefly, simply, and interestingly.

8. *Knowledge of the house.*—A sales training course should also give the salesman knowledge of the house. A surprising number of salesmen know very little about the concerns they represent. To allow them to complete their training without gaining this knowledge is a serious mistake. It breeds the type of salesman who builds up a personal clientele, loyal only to the salesman—a clientele that goes with the salesman when he takes a job with a competitor. The salesman should be trained to build up

a list of permanent customers for the house, and he will not be able to sell loyalty to customer and prospect if he himself is ignorant of the policies of the house.

Any comprehensive sales training course, therefore, should include a knowledge of the company, of its personnel, of its accomplishments, of its history, and of its place in its particular field. The human equation and the human quality should be stressed in this information; the mere giving of it to salesmen should evoke their loyalty and make them take a certain amount of pride in the company by which they are employed. They can in turn present the company to prospects and customers as a living organization of human beings.

9. *Knowledge of classes of buyers.*—Too often a salesman knows only too incompletely the classes of buyers who are prospective customers for his product. He should be given during his training a definite idea of all of the classes of persons who may be possible users of the article or the proposition he is selling. The classification that a firm gives to its salesmen may be an altogether different one from that used for advertising purposes. Advertising classifications are usually made on the basis of vocations or professions, buying power, etc., but, for the salesman, buyers should be classified according to their uses of the product.

Such a method makes possible the inclusion of all prospective customers, yet greatly simplifies the

salesman's problem. Perhaps he is selling some special article of office equipment, such as an improved file. To insist that he master a classification of prospective customers based on vocation or profession would be an almost impossible task, but if the classification is based on uses of the file system, he may be able to get it all under a comparatively few heads. Relatively few adaptations of his sales presentation will be needed.

Such an arrangement has the added advantage of making it possible for him to study buyers in terms of the product. He is impressed with the fact that most businesses are comparatively similar, yet he appreciates their true differences. He will tend, always, to appeal to the buyer on the basis of the particular utility the product has for him. Such an arrangement, too, will help to eliminate the tendency of a great many salesmen to sell only to interested buyers, without attempting to cultivate perfectly good prospects waiting to be sold, if the use they have for the product is pointed out to them.

10. *Knowledge of prospects as individuals.*—A training course, too, should emphasize the necessity of a salesman's taking the time and trouble to study his prospective customers individually, so that he can ascertain needs and desires and plan sales tactics accordingly. Perhaps an overemphasis on advertising, general policies, study of markets in the large, and similar tendencies has soft-pedaled the personal element in salesmanship. In an age of mass production

and mass distribution, it is only natural that business men, even those engaged in selling, should think in terms of groups, but no amount of standardization and mass processes has made or can conceivably make salesmanship anything but a personal man-to-man proposition.

The salesman's training should emphasize, therefore, that every prospective customer is a human being; it may be possible to classify him as belonging to a certain group, but he is still an individual with certain characteristics peculiar to him, alone. Advertising has a wide appeal, but it is only an aid, not a substitute, for personal selling. The knowledge of his prospect-customers as individuals is an advantage the salesman possesses by virtue of the peculiar vocation he fulfills. To fail to capitalize that advantage to the full is possibly the greatest mistake the salesman can make, and his training should strengthen his power to avoid it.

A training course, then, should certainly teach salesmen how to analyze buyers as individuals and how to detect and make the most of buyer interests. The salesman in training should be taught to know the qualities and uses of his product, and how to shape and present an exposition of the qualities and uses of the product so that it will appeal to the keen interests of a particular buyer.

Finally, the training course should cover the general principles and methods of making a sale. The salesman in training should be taught and made to

practice each step in the sales technique: the inception of the sale, i.e., securing the interview and making the approach; the progress of the sale—securing favorable attention and interest; defense in the sale, i.e., handling common objections; suggestions in the sale; and closing the sale.

11. *Principal methods of sales training.*—In what manner shall the foregoing information, the knowledge with which he should be provided, be given to the salesman? This is the next question which the executive in charge of training the sales staff must decide. There are in general use four methods of sales training:

(a) Informal and individual training, consisting of a tutoring period at the home office or branch office
(b) Formal sales training courses at the home or branch office
(c) Field or road training under coaches
(d) Training by correspondence

Informal and individual training or formal sales training courses are used particularly during the preliminary period before the sales student does actual selling. Field or road training under coaches and training by correspondence are employed principally during the trial period of actual selling which many companies make their young salesmen undergo. Correspondence is often used for training on the job and not infrequently overlaps with what is known as sales stimulation. Some of the stimulating devices,

such as sales bulletins, house organs, etc., will be considered in a later chapter.

Many companies use the method of informal and individual training in preference to a formal sales training course because the former is less expensive. Many companies believe, too, that the preparation for the performance of their particular selling tasks can be accomplished without the expense and effort of formal sales training courses. Informal training, of course, varies with particular companies.

The usual procedure is to provide the salesman student with selling literature, catalogues, etc., which he is required to study and about which he is to be able to answer any question the sales manager may ask. If the company has compiled a sales manual, he is given that for study and examination. He is often conducted or allowed to wander through the factory and other departments of the company and is questioned about his knowledge and permitted to ask his own questions. Finally, he may listen to talks by advertising, sales, and manufacturing executives.

For a small company that feels that an investment in a formal sales training course would not pay sufficient dividends, the informal and individual training method answers the purpose. H. T. Potter, vice-president of the Wyoming Shovel Works, has described how his company has handled the situation with extremely satisfying results. He says:

> After being accepted, the men must come to the factory and stay at least two weeks. Our business is not intricate,

and, after being given a brief résumé of our product and policies, they are turned loose in the factory with instructions to pick up all they can and come in with their list of questions every other day. That, to me, is the telltale of a man's possibilities. Can he ask sensible questions and will he take the trouble to answer them completely and coherently? Speeches and long-winded descriptions don't do a man any good when his mind isn't ready for the information to register. But the questions he asks are the key to his reasoning system and, if properly answered, they will not only guide his next questions in the right directions, but the answers themselves will be filed in the right memory cell for future reference. At the end of the training period he has a final examination on a buyer and seller basis.

The Wyoming Shovel Works then sends the young salesmen out with jobbers' salesmen for a time; during this period, the men in training are allowed to help with sales. They are next sent on some really tough jobs, then to more important territories if they make good.

REVIEW

Discuss the brief points of view that are prevalent in regard to the efficacy of sales training.

What are the factors that have the greatest influence upon the extent and kind of sales training necessary to a particular concern?

Discuss in detail the importance of knowledge of the product in any system of sales training.

State the principal methods of sales training. During what training periods are each of these methods used?

CHAPTER VII

TRAINING SALESMEN (*Continued*)

1. *Location of formal sales training courses.*—Numerous firms, regardless of the extra cost involved, have found it advantageous and profitable to establish formal training courses for salesmen either at the factory or home office or at the branch office. For the sales manager contemplating such a step, the question immediately arises: Shall the attempt be made to train the sales force, either recruits or the whole organization, at the factory, or will it be less expensive and equally or more profitable to give a formal training course at branch offices?

The answer to the question depends upon several fundamental factors. The first is the nature of the product. If the product or line manufactured is complicated and technical in construction, and if successful selling depends upon the salesman's knowledge of the manufacturing process, then it is almost imperative that the formal training course, or at least some part of it, be conducted at the factory, or at the home office if the latter is located at the factory.

Whether the course shall be given at the home office or at branch offices depends further upon the organization of the company as determined by the

nature of its business. Thus, one particular type of concern may require its salesmen to know a great deal about the order department or the credit or shipping departments. If the work of these departments is done largely at the home office, it will probably be best to train the salesmen there.

Where a company, as in the case of life insurance concerns, is selling a service rather than a tangible product, training can often be given as advantageously at branch offices as at the home office. The only qualifying factor in such a situation is personnel. If the company decides to train its salesmen at branch offices, the personnel of those offices must be equipped to give such training as well as to perform other normally required duties.

2. *Admission to formal sales training courses.*— Another consideration which bulks large in the setting up of a formal sales training course is: Who shall be admitted to such a course? A formal course is usually a part of a salesman's preliminary training and hence is given to new recruits. Many companies, however, feel that newcomers should at least partially prove themselves at the selling task before a comparatively large investment is made in giving them a formal course of training.

This is a matter of policy which each company must decide for itself; not a few well-known and successful concerns have found that if a careful selection process has been carried out, they can afford to train newcomers at once. Some of these companies over-

come the danger of a man's taking their courses and then going to work for a competitor, by making the course of training so highly specialized that it will be of little value to an individual in any other employment.

3. *Content of formal training courses.*—A third consideration is deciding upon what subject matter shall be covered in the formal training course. The product or the proposition is usually very carefully studied. Close attention is also given to the classes of prospective customers with whom the salesman will have to deal. Almost invariably, too, salesmen in training are thoroughly imbued with a knowledge of the company, its history, its organization, its various departments, its policies, its advertising programs, etc.

If the men in training are inexperienced, if they are high-school graduates or graduates of a liberal arts college, training is sometimes given in general business principles. This phase of training increases in importance as the whole structure of business becomes more complex. A company's students of selling are also often given the principles of salesmanship in their training courses. This part of the training is, in some instances, so highly developed that the student will gain almost as much knowledge as he would from a complete course in salesmanship in a school of business administration.

Finally, the subject matter of the training course may include miscellaneous instructions and rules set

up by the company. This may include study and practice in the particular manner in which the company wishes its salesmen to keep records, make out reports, cover territories, and the like.

4. *Methods of conducting formal training courses.* —The company establishing a sales course is faced with the further problem of choosing a method by which the course will be conducted. The most natural step is to design a curriculum and set up classes similar to those in schools and colleges. If this is done, caution should be exercised in several matters. Pertinent suggestions on this point have been made by Frank L. Scott in *Printers' Ink:*

(a) Where possible, do not mix cubs and older men in such classes. The two types may have equal experience, but I have found the older men something like the older boys in a young boys' class in grammar school. They are apt to be aloof and make it difficult to maintain unity of effort.

(b) Avoid conventional classroom furniture—small desks, blackboards, or a "teacher's desk." This seems to make many good men feel awkward and silly. And there's no real need for such furniture, anyway.

(c) For the same reason, salesmen's class work should not be made unduly formal. They should be talked with—not lectured to. Find out how much they know before boring them with material which is too elemental. When you find that any of your men have particularly strong points, encourage them to talk freely. The best teaching is to get the men—as far as possible—to teach one another.

If the company has a complete and carefully compiled sales manual, this may be used as the text for the training course. Outside readings of a general nature may supplement the text.

An all-important consideration in the giving of this form, of course, is the instructor or instructors. Usually the individual instructor should have been a successful salesman, but not all who can sell are able to tell how it is done; nor do all salesmen have that rare understanding of men which insures the desired leadership in a classroom, particularly where the class is made up not of immature children, but of mature men. The regular instructional staff may be supplemented by special lecturers chosen from various departments of the company because of their knowledge of the work of these departments and their ability to impart this knowledge to others effectively and interestingly.

One fundamental rule may be laid down without hesitation, about the nature of the instruction to be given in a formal sales course. Emphasis should be placed on instructing the students how to do the particular job, rather than allowing the classes to engage in mere discussion of what is to be done. The work should be decidedly practical. If the company has developed a standard sales presentation, this may be rehearsed. The instructor with imagination will, with the aid of assistants or students, dramatize vividly particular selling situations. He may assume the characters of different types of prospective

customers and allow the students to try to sell him, afterwards giving them constructive criticism and suggestions.

The practical side of the course may be stressed by supplementing classroom work with trips through the factory, and through the office and all the departments. In such laboratory investigations, careful check should be kept on the work of each student. Throughout the course, in fact, personal attention should be given to each man or woman in training. A thorough examination usually completes the course.

5. *Examples of training methods.*—Various companies have developed methods of training peculiarly suitable to their individual needs. The Toledo Scale Company has put the subject matter of its course in standard textbooks. The course is divided into two parts: the first dealing with mechanical instruction, and the second with salesmanship and business training. Research problems and review questions enable instructors to check the progress of each student; a further check is made by the final examination.

The Westinghouse Electric & Manufacturing Company requires newly hired salesmen to spend three months in the assembling department in the factory, three months on the testing floor, a month in the publicity department, and from one to three months in the order and contract departments. In the early part of the training period, a definite effort is made to ascertain for what kind of work the indi-

vidual student is best adapted. The practical work is supplemented by a regular course in salesmanship.

The Mid-West Box Company makes of its men sales engineers, requiring them to design new containers to meet the particular needs of customers if such needs are not already met. Hence, this company's sales training course includes, in addition to four months in the office, four months in the laboratory, and another four months in the drafting department.

The Dennison Manufacturing Company provides three different kinds of training for its salesmen:

(a) Initial training carried on by the district manager in the district sales office
(b) Continual education and training carried on by means of salesmen's meetings, with a carefully thought-out plan or program
(c) Classes held at the home office for special intensive training for senior men only

These classes are held at the home office in Framingham and the subjects are handled by merchandise managers and general sales managers. The home-office course is only four weeks long. It is, however, intensive, since the product is carefully studied and since the Dennison line includes five large groups of items—tags for all kinds of shipping, marking, and system purposes, baggage checks, etc.; gummed papers, labels and seals, and sealing wax and glue; crêpe paper, napkins, towels, and novelties; paper boxes, jewelry cases, show-case and window display

fixtures, trays, etc., and holiday lines of tags, seals, and greeting cards.

A typical program for such a course follows:

PROGRAM FOR SALESMEN'S CLASS

Jan. 8–Feb. 3, 1923

Mornings

Mon. Jan. 8—Introductory Talk
G. V. S. Carroll
Merchandise
Tag Stocks, Tag Making
Tues. " 9—Originals and Electrotypes
Tag Printing
Wed. " 10—Pricing Practice
Thur. " 11—Field Work
Fri. " 12—Marking Tags, Pin Tickets
Pricing Practice
Sat. " 13—Examination
Mon. " 15—Gummed Papers
Tues. " 16—Field Work
Wed. " 17—Gummed Labels and Seals
Pricing Practice
Thur. " 18—Field Work
Fri. " 19—Sealing Wax
Laboratory Work
Sat. " 20—Examination
Mon. " 22—Consumers' Items of the Crêpe Line
Tues. " 23—Field Work
Wed. " 24—How to Sell Consumer Crêpe Items
Thur. " 25—Field Work
Fri. " 26—Order and Estimate Writing
Sat. " 27—Examination
Mon. " 29—"A" Commercial Boxes
Tues. " 30—Field Work
Wed. " 31—"A" Commercial Cases

Thur. Feb. 1—Field Work
Fri. " 2—How to sell "A" Commercial Line
Sat. " 3—Examination

Afternoons

The Dennison Manufacturing Co.
W. E. P. Howell
Selling
Salesmanship; its Original Purpose and Responsibility

Tues. Jan. 9—Basic Requirements of Salesmanship
Wed. " 10—Making the Approach and Getting Attention
Thur. " 11—Field Work
Fri. " 12—Conference on Field Work
Creating Interest and Desire
Sat. " 13—Examination
Mon. " 15—Closing the Sale
Tues. " 16—Field Work
Wed. " 17—Conference on Field Work Overcoming Objections to Buying
Thur. " 18—Field Work
Fri. " 19—Conference on Field Work
How to Sell Tag Systems
Sat. " 20—Examination
Mon. " 22—Demonstration of Selling Principles
Tues. " 23—Field Work
Wed. " 24—Conference on Field Work. How to Sell and Demonstrate Value of Tags
Thur. " 25—Field Work
Fri. " 26—Conference on Field Work. How to Sell Distinctive Tags
Sat. " 27—Examination
Mon. " 29—How to Sell Marking Tags and Gummed Labels
Tues. " 30—Field Work
Wed. " 31—Conference on Field Work
The Value of Use of Samples
Thur. Feb. 1—Field Work

Fri. Feb. 2—General Review of Salesmanship
Consumers' Committee
Sat. " 3—Examination

6. *Field or road training.*—Some companies give their salesmen field or road training only. A great many others, however, follow the formal training course at the home or branch office with a definite program of training in the field or on the road. Under the latter arrangement, field or road training is to the salesman what an interneship is to the medical graduate. It is supervised application of the principles and practices he has learned in the course.

The most common method of giving field training is to place the younger man under the tutelage of older salesmen. The recruits gain a great deal from close observation of the work of the older men. The experienced salesman will often allow the recruit to try some customer himself, giving him constructive suggestions and criticisms afterward. The advantages of this method are obvious; they depend, however, on the ability of the older man not only as a salesman, but particularly as a teacher and coach.

Not every successful salesman, it goes without saying, is a successful teacher; he may defeat the company's purpose in giving road training. The man who has been a crack salesman for a long period may have entirely forgotten his difficulties as a beginner, and hence may lack patience and be completely out of sympathy with the younger man's problems. Experienced salesmen, too, are inclined to

dispense with rules and even laugh if the youngster tries to apply the methods he learned in the training course at the home office or the branch office. Likewise, the ace who sells on personality alone will not be of much benefit to his pupils.

A manager, moreover, should never pick as a tutor an experienced salesman who has a tendency to show off. He is likely to approach only easy prospects in the effort to impress his pupil with the ease with which he makes sales. A certain branch manager insists on going out himself with every beginner, and he makes a practice of letting beginners go with him only when he is in good form. If the youngsters are going to look up to him as an example, he argues, they should see him in his best possible form. It cannot be reiterated too often that experienced salesmen who are to act as field trainers should be picked with meticulous care.

In order to avoid the foregoing risks, certain companies employ staffs to do nothing but coach younger men on the road. These coaches have, of course, had selling experience; they are selected for instructional work, however, because they can not only do the job but can show others how it is done. The method is comparatively expensive, but not infrequently justifies itself by insuring better training and by eliminating the necessity of burdening experienced producers with teaching duties.

7. *Examples of methods of field sales training.*—A company which markets technical goods makes a

practice of sending engineers and designers on the road with newly engaged salesmen. When technical points arise in the course of the sale, the engineer is there to explain them. The salesman profits and increases his knowledge of his product. The engineer, on the other hand, frequently gets new ideas of design by thus becoming acquainted with the needs of users.

An established company which has been selling to certain customers over a long period, customers with whom the sales executives have become well acquainted, uses these customers with their consent as tryouts for the younger salesmen. The recruit will be sent out to make a call on one of these "loaded" customers and will go through all his paces in the effort to sell him. The customer then makes a report to the sales manager on the youngster's performance; of course the house takes no risk of loss of business.

Sampling, advertising, and other junior crews are often made use of as field training schools for salesmen. These crews usually travel with salesmen, get a chance to see how actual selling is done, and get an idea of the customer's problems by helping him out with window-display, advertising, and other special sales devices.

E. M. Roeber, sales manager of the Moorhead Knitting Company, Inc., reports that his company has found it advantageous to give older and better qualified men two territories instead of one. One territory the older salesman works as before, and in

the other he supervises the work of a junior salesman, over whom he has full control. The plan has exceeded the company's expectations; it has relieved the office of direct supervision over the new salesman, reduced salesman turnover by giving the younger men personal guidance, and has practically done two jobs where one was done before. The Moorhead Company gives its new salesmen a course of training at the office before they are sent on the road under this personal supervision system. The Fuller Brush Company keeps a manager and assistants on the ground with salesmen, and follows this field training with a correspondence course.

Where older salesmen are required to spend part of their time training younger men in the field, the question of adjusting their compensation arises. One company pays experienced salesmen a bonus when recruits are with them. The Moorhead Company also gives the supervising salesman a certain compensation based on conditions in the territory of the younger salesman in his charge.

8. *Sales training by correspondence.*—The fourth method of training in common use is training by correspondence. Correspondence training, as has been pointed out, may be a part of the machinery for the continuous stimulation and inspiration of salesmen; it is considered here as a method of training chiefly for new salesmen. In the fulfillment of such a purpose, training by correspondence has certain advantages. The immediately apparent advantage is that

training can be conducted in this manner with comparatively small expense.

Another argument for it is, that it enables salesmen to put the principles imparted by training immediately into practice. The salesman on the road can study a correspondence lesson when he returns at night to his hotel, consider it in the light of his past experience, answer the review questions usually required, and go forth in the morning prepared to apply his newly acquired knowledge in the day's work. One objection to intense home-office or branch-office training or even to a short period of field training is that so much is crammed into the new salesman's head in such a short time that he cannot possibly assimilate it all. Correspondence training, given as it usually is in relatively small doses, overcomes this disadvantage in the opinion of many sales managers.

Many leading educators believe that a student grasps most thoroughly and retains longest that which he digs out for himself without the aid of an instructor. Correspondence training does give wide play to personal initiative; the student must master the content for himself. Of course, companies employing this method usually devise close checks to insure that the student is actually taking the training. He is required to pass long examinations and to make extensive reports on what he studies.

In this there is a complementary advantage. It was Lord Bacon who said that "writing maketh an

exact man." The student salesman, who studies a correspondence course and then in his reports and examinations actually writes out for his manager what he has learned, will most likely have an exact knowledge of the content of his course—much more so, in fact, than the student who merely recites in a personally conducted sales training course.

The Burroughs Adding Machine Company has prepared an extensive course requiring a year to complete, with the student studying two hours daily. In addition to regular selling equipment, about twenty textbooks are used. The course is divided into six subcourses. Material is sent out in small installments. Very complete and very practical questions to be answered accompany each installment. Incidentally, the Burroughs Company has kept a record of each man's showing in his studies which is compared with his record of sales; in the majority of cases they run parallel.

The Gypsum Company operates a similar correspondence course. Again, questions accompany each installment. A man is given full time to master one pamphlet before another is sent. Ratings on lessons are not divulged unless a salesman becomes negligent. Since it is assumed that the student has no special business education, a useful review of ordinary commercial subjects supplements the usual sales-course material.

9. *The standardized selling talk.*—Almost every company which has set up any sort of training system,

informal or formal, has made use of the standardized selling talk as a training device; it is the one instrument common to practically all types of training. In fact, the pioneer in the sales training movement, the late John H. Patterson, president of the National Cash Register Company of Dayton, Ohio, as the first step in his training program evolved the "N.C.R. Primer," which was nothing more nor less than a standard sales presentation. As might be expected, the old-timers on the force rebelled at learning it, and submitted finally only under threat of instant dismissal.

The standardized selling talk is still a subject of controversy. It cannot be denied, however, that the "pros" are gaining in numbers. Thoughtful managers, however, even in advocating the use of the device, make several admissions. First, it is probably more valuable for specialty salesmen than for salesmen of staples; second, it has greater use in securing original sales than in taking repeat orders. There are some sales managers who do not advocate an entire standard sales presentation, but who readily enough admit that their salesmen should learn standardized parts of the selling talk, i.e., sections of the presentation which can be switched around as to order, but which are valuable because they present certain arguments neatly and concisely.

10. *Advantages and disadvantages of standardized presentations.*—"What is good for one is good for all." So said the original and now famous "N.C.R.

Primer," and the principle holds good. It is almost a score of years since Frederick W. Taylor published "The Principles of Scientific Management," in which he called upon both workmen and management to "recognize as essential the substitution of exact scientific investigation and knowledge for the old individual judgment or opinion." It is a far cry from Mr. Taylor's declaration to that made by an old salesman when asked by a younger one whether he did not find it better to tell the story in his own words than to use a standardized presentation. The old salesman's reply was:

> I used to, but never any more. Why should I? I don't pretend to know more than the men at the factory. They've spent years finding out just what arguments will sell this product. They've studied human reactions a lot more than I have. They've learned through thousands of mistakes. Why should I take chances on making good?

Many sales managers today are contending and insisting that there is one best way to sell a product, a way determined by observing the methods of the most successful salesmen of the product in the same way as those in scientific management observe the movements of the workmen in the factory. The results of these observations assembled in permanent form constitute the standardized sales presentation.

The plain truth probably is that most salesmen consciously or unconsciously use a "canned" sales talk. This is true even of the salesmen who object most strenuously to memorizing what someone else

has "canned." The individual salesman's presentation is the result of his own unguided experience. The canned presentation prepared by the office is the result of the valuable experience of the best salesmen sifted, analyzed, and molded into a whole by the best and most expert brains the company can assemble. Such, briefly, is the advantage of a standardized sales presentation.

The disadvantages usually cited are that the standardized selling talk lacks flexibility, destroys selling initiative, makes no allowance for the fact that "every prospect is different," turns the salesman into a mere phonographic automaton who spouts words at his prospective customer. Every sales manager has probably heard the arguments pro and con in the controversy; each must make his own decision.

11. *Compiling the standardized presentation.*—If a standard sales presentation is to be used, the first problem is determining how to compile it. W. G. G. Benway, of the Union Central Life Insurance Company, states that the premise for building up a talk for every proposition his company presents is this definition of a sales talk: "A sales talk is a series of logically arranged interrelated major ideas, so emphasized and illustrated as to arouse enthusiasm for and have a tendency to engender action toward the object intended."

Each of his company's talks is built up in the light of this definition. The underlying theory is that the

company does not merely sell policies as such, but meets a vital need of the prospect.

A common method of compilation is to have a contest in which salesmen send to the manager their best presentations. These are weighed by the sales manager and welded into a tentative standard presentation. This, again, is reviewed and criticized by the sales force and other interested persons in the company. Often salesmen are encouraged to prepare the individual presentations submitted in the contest by a method of rewriting presentations each night for a week or so, constantly trying to improve them in the light of their experience during that time.

Even after the standard presentation is prepared, it is sometimes a difficult matter to get the salesmen to use it. John H. Patterson, as has been related, made short shrift of this problem by threatening instant dismissal if it were not learned. Salesmen, however, can be persuaded. One manager took a particularly stubborn member of his force to hear a famous Shakespearean actor. The actor, of course, got the best possible effect out of his lines. When this fact was pointed out to the salesman he readily agreed to learn his presentation.

A certain company resorts to the method of inviting a violinist before its sales conventions. She is called on for well-known numbers like, perhaps, "Home, Sweet Home." It is then emphasized that the violinist, too, is selling music, but that she would indeed be up against it if she had to improvise. Yet

by her individual interpretation of the composition she is expressing her own personality. For most salesmen, however, results speak for themselves; they can see the men who use standard presentations getting the orders.

12. *The standardized presentation in use.*—If the salesman is converted to the idea of the standard presentation, the question of how he shall use it arises. Needless to say, he must put his own personality in it just as every actor who plays Hamlet gives a certain individual interpretation. R. L. Lee, sales promotion manager of the Frigidaire Corporation, in championing the idea of a standardized sales presentation, emphasizes that the presentation must be memorized, even though it is not used word for word. He says:

> One cannot go over a sales presentation a sufficient number of times necessary for memorizing without automatically ending up with the salient sales order. The aim in our estimation, therefore, of the memorized sales presentation is to bring this result about rather than to cause the salesman to recite in the presence of his prospect, word for word, his sales presentation.

Not all executives agree with Mr. Lee. There are those who insist that salesmen make verbatim presentations. Others insist on a standardized phraseology of certain sales arguments. Still others, although they insist on the initial memorizing for the presentation, tell the salesmen to forget it once it is memorized, believing that the points in the sales arguments

and the order of arguments will be remembered but that the salesman will be able to meet varying situations more skilfully, and be able to inject his own personality into the sales more effectively, if he is not confined to a certain definite way of saying things.

For the salesman who is going to make consistent use of a standardized presentation, it must be emphasized that mere memorizing is not enough. The salesman must make the selling talk, even the phraseology of it, a part of himself. If he does this, he can put his whole thought and personality into the job of impressing a particular prospect; the content of what he says will come automatically to his tongue. If he has learned his standardized sales presentation in this manner, mere repetition will not deaden the vitality of the presentation any more than the constant repetition of Hamlet's lines deadened the performance of a Booth or a Sothern or a Hampden.

REVIEW

Discuss the methods of conducting a formal sales training course.

State the principal dangers to be avoided in working out a system of field or road sales training.

Outline the advantages of sales training by correspondence.

Discuss the standardized sales presentation as a training tool.

CHAPTER VIII

THE SALES MANUAL

1. *Uses of the sales manual.*—An increasingly used device for training and selling is the sales manual. The precise place that it occupies in a training program varies with different concerns, but broadly speaking it has three uses:

(a) In the initial training given a salesman the manual is often used as a textbook in an informal course.
(b) It may be used as a device for supplementing the training given in an informal or a formal training course at the home office or at the branch office.
(c) It is probably most often used as a means of keeping salesmen in training at all stages of their careers. To fulfill the last function, particularly if it is a growing manual, it may partake of the function of a stimulating device. Indeed, a good sales manual may fulfill all the functions and be used in any of the ways just mentioned.

But what is a sales manual? Or, rather, what should it be? The formulation of a suitable definition has often been the subject of discussion among sales managers, particularly at sales managers' conventions or in sales managers' clubs. In general, the sales manual should be a compendium of all the in-

formation which the salesman should possess in order to sell his product, line, or proposition; it should be carefully prepared, clearly organized, interestingly presented, and conveniently put together in some physical form—portfolio, book, or booklet—which the salesman will find easily accessible.

2. *The need of better manuals.*—Almost every progressive sales manager will readily admit the need for, and usefulness of, a sales manual, and yet comparatively few selling organizations have developed manuals which can even approximately measure up to the foregoing definition. The arguments offered for the use of the standard sales presentation can be advanced on a broader scale for the use of the sales manual. Scientific management in manufacturing found need for assembling and recording the best formulas, methods, rules, and orders. If marketing, particularly salesmanship, is to enjoy the progress made by manufacturing under the régime of scientific management, then the need for a sales manual is self-evident.

As a compendium of necessary and helpful information, the manual should be a record not only of the best proved method of presentation, but a record also of the best answers to objections, of the company's history, administration, and policy, of concise and impressive descriptions of the product, and so on. Experience is still the best teacher, but the wise salesman knows that it is profitable to capitalize on the best experience of others as well as on his own. The

sales manager who does not offer his force every possible aid in doing this is not doing his full duty.

What the purpose of the sales manual should be is clearly implied in the following paragraphs quoted from the introduction of the manual of an important company:

> The aim of the company in preparing this sales manual has been to set down in writing the reasons for success in selling of our best salesmen and also to give specific examples and descriptions drawn from the experiences of nearly two hundred field representatives of this company.

And this to salesmen:

> Please view this sales manual as a constructive effort to help you in every possible way to get greater results in your selling work. Though we recognize the important truth that much of selling results can be traced to personality, nevertheless, personality combined with knowledge, intelligent study, and effective organization of a salesman's work make a most successful combination and one which is practically unbeatable.

3. *Factors in determining contents of a manual.*— The recognition of the truth of the foregoing principles by progressive sales managers has left little doubt that a good manual will help most companies to do more and better selling. What constitutes a good manual? What data and information should the sales manual contain? What content should it cover? Several factors must be taken into consideration in the answering of these questions. The first of these is the training and experience of the sales force.

The sales manager who employs only men of

proved selling experience and who thoroughly trains his salesmen in the particular methods of his company may need a less elaborate and complete manual than the executive who is not so fortunate. A primary consideration is the rate of turnover of the sales force. If there are few new men and if the old ones are thoroughly acquainted with the selling task, manuals will not be used as frequently as by new men.

The content to be included in the sales manual depends, too, upon the nature of the selling task of the individual company. If a product or proposition is highly complex, there is likely to be a great deal more information, which a salesman cannot always carry in his head, than if the product is comparatively simple. A kindred consideration determining the content of the manual is the number of products or offerings in the company's line; some sales manuals have as many as twelve or a score of separate sales presentations.

Other important factors to be considered are the number and classes of buyers on which the salesman will have to call; certain salesmen have to have information about the jobber, small and large retailers, other middlemen, and ultimate consumers. The company's method of distribution is always important.

Before the contents of the manual are actually outlined, some specific but fundamental decisions should be made. A great many manuals sin on the

side of either bulk or brevity. While there is greater danger of erring in the latter direction, yet the mere size of a volume of three or four hundred pages may discourage the salesman from reading it. Hence every company must decide whether the manual will contain merely high lights of information or minute details. It is an increasingly popular tendency to cover the high lights in the actual sales manual and to leave the details to a series of booklets on particular products in the line, or particular phases of a single product, or the various types of buyers, and so on.

4. *Outline of suggested contents.*—Obviously the specifying of exactly what shall go into a sales manual can be done only in the case of a particular company, and then only when the needs and conditions of that company are thoroughly known. It is not so difficult, however, to indicate, at least by outline, what types of information a sales manual should include. The following outline of contents is based on suggestions made by the editors of *Printers' Ink:*

(a) History of the company, including something of the history of the industry
(b) Information concerning executives of the company and pictures of leading executives
(c) Organization charts of company and of sales department
(d) All necessary information about selling the product

(e) A catechism of sales objections and answers to objections
(f) Information concerning equipment salesman is to carry, such as material in sample case, forms, etc.
(g) Instructions concerning the filling out of order forms, daily or weekly reports, etc.
(h) Definite description of company policies, particularly concerning various trade practices, such as discounts, rebates, etc.
(i) Information concerning company's more important customers or larger installations
(j) Information concerning the company's advertising. This should not include material which goes ordinarily into the advertising portfolio (if the company has a portfolio) but should describe all phases of the company's advertising policy
(k) Testimonial letters from satisfied users
(l) Description of manufacturing policies
(m) Instruction in elements of successful salesmanship
(n) Necessary data concerning the line, such as sizes of items, uses to which they may be put, etc. This is necessary, as a rule, only for a manual dealing with industrial products

It is further suggested that, in the actual planning and writing of the sales manual, the content should be divided into the material which the salesman *must* know; the material which every good salesman *should* know; and the material which the salesman *may* find very useful in giving him a complete background and which will often prove helpful in meeting unusual circumstances and prospects. This division of ma-

terial clearly explained to the salesman will obviate his discouragement, if the manual is bulky, and will help him view the manual as a real sales aid. Of course, each company must decide for itself as to what material will be included under the three categories—*must, should*, and *may*. General suggestions can be given for general conditions.

5. *What the salesman must know.*—A manual divided on this classification will certainly include in the "must" category the necessary information about selling the product. If the standard presentation is included in the manual—and it should be—it will probably cover this point. Almost equally important among the things the salesman must know are the usual objections and the standardized answers to them. Every salesman must know, also, the information concerning the equipment he is to carry. If he has not been personally trained in this matter, it should certainly be included in the information he is required to master thoroughly in the sales manual. Furthermore, it is of importance that he have an exact knowledge of the instructions concerning the filling out of order forms, daily or weekly reports, and the preparing of other standard information which he must relate to the company. He must also be exactly informed regarding the company's policies concerning trade practices such as discounts, rebates, credit, etc.

The Pyrene Manufacturing Company has a section covering the last two points under the heading

of "General Details of Salesman's Work," with subdivisions on opening new accounts, credits and collections, expense reports, daily reports, planning the day's work, term, prices, etc., and making out route lists.

The Sundstrand Adding Machine Company includes in its sales manual as a special page a personal score card on which the salesman must keep a record of the firms on which he calls; the man to see in each firm; and check whether he gained admission, made an approach, gained attention, aroused interest, whether a demonstration was asked for, whether he received an order on demonstration, whether a trial was requested, and whether the order was closed. The sales manager should devise some means of checking whether or not the salesman has mastered the "must" material in his manual.

6. *What the salesman should know.*—The division of the manual including the things the salesman *should* know will be almost as important as the division of what he *must* know. Certainly the "should" division will include the history of the company, the history of the industry, and something of the company's place in the industry. Too few salesmen, even though there is no daily demand for the information, know sufficient about their companies.

To insure that the knowledge of the company will not be merely detached and objective, it is wise to include in the "should" division of the manual information concerning the executives of the company,

together with pictures of those who are better known. This information will make the company a human organization to the salesman and, in turn, to the customer, thereby creating a goodwill asset. Not a few companies have included under this heading in the manual an introductory note or even a letter of an inspirational nature from the president.

The Baker-Vawter Company has in its manual an admirable introduction of this type, of which the following paragraphs are typical:

> The Sales Manual is a reference book, in which you will find the inspiration to do the day's work in the best way.
>
> It is dedicated to Wm. A. Vawter and those other pioneers of our company, who by their courage, steadfastness and loyalty, blazed the trail for us salesmen of today. Out of the crucible of their experience, mistakes, and accomplishments has come the inspiration to write this volume.
>
> To have been successful, these older pioneers had to depend pretty much on their own judgment and initiative in selling. You can benefit greatly by their experiences as exemplified in the methods set forth in this Sales Manual.

Both to acquaint the salesman with the set-up of the company and to make him feel he is a definite and necessary part of a great organization, there may well be included, in this "should" division of the manual, organization charts of the company and of the sales department. It is a good thing to show on such charts exactly where the individual salesman fits into the picture.

Finally, it is advisable to place in the "should"

division of the sales manual the necessary data concerning the line, such as sizes of items, uses to which they are put and may be put, etc. This is particularly desirable for industrial products. It is also certainly advisable where the line includes a number of products or a number of propositions, like life insurance, designed to meet particular needs. Under this heading of product data may be included points about raw materials, distinguishing manufacturing processes, descriptions or charts of uses both developed and undeveloped, and graphic evidences of superiority in use.

7. *What the salesman may know.*—What shall be included in the "may" division of the sales manual? Probably no two sales managers would agree; one would be bound to insist that the division included certain material that the salesman should or must know. There should certainly be in this division information concerning the company's advertising and its advertising policies, even though the salesman does not find frequent use for the information. The same can be said regarding information concerning the company's more important customers or large installations. Many salesmen, too, have often been glad, when, in making an unusual sale, they could turn to testimonial letters from satisfied users of the product or service. Salesmen also like to find, occasionally, some description of the company's manufacturing policies.

The final item in the "may" division of the sales

manual may well be certain instructions in the elements of success salesmanship. Whether they are placed in this division or not, and if they are, the question of how elaborate they shall be will be determined largely by the previous training and experience of the salesman. These instructions when set forth in manuals are often very specific on certain points. One outline for a manual includes a final chapter on "Don'ts" for salesmen. These are "don'ts" on personal appearance, voice, poise, habits, deportment, industry, commonly encountered temptations—almost a negative etiquette chapter. The Stewart-Warner manual has a page entitled "The Ten Commandments" and is signed "The Boss." Many manuals have sections on keeping in physical condition, conforming to proper moral standards, good appearance, and the social niceties.

8. *How shall the manual be written?*—After the decision has been reached as to what information and data shall be included in the manual, it is necessary to determine how this information is to be presented. In what form shall the manual be written? Some companies have put their manuals in question and answer form, capitalizing, perhaps, on the "Ask Me Another" vogue. Other companies have prepared humorous manuals which seem to serve the general purpose.

The Crane & Breed Manufacturing Company of Cincinnati puts out a humorous manual called "Fables for Salesmen by a Modern Æsop," illus-

trated with cartoons and having chapters with a typical Æsopian moral on such subjects as, "The Fable of the Salesman Who Was Afraid to Work," "The Fable of the Salesman Who Lacked Tact," "The Fable of the Salesman Who Gossiped," etc. Manuals of this type tend to border on the bizarre and are ordinarily not usable.

Certain principles and practices that are more fundamental can be followed. The manual must be clearly, effectively, and logically written. The emphasis throughout should be practical; salesmen usually need to know how to do, rather than what to do. Some companies have found that it increases the prestige and the apparent practicability of the manual to use actual quotations from salesmen in such matters as meeting objections, presenting product information, company information, and even more remote matters. Sometimes such quotations are signed and sometimes not.

Above all, the manual from the standpoint of writing must be attractively presented. It must be readable, and readability in the first place requires good writing. It is not too much to say that a sales manual should include material on a par with the interesting narrative and exciting drama found in best sellers. The section on answering objections, for example, has genuinely dramatic possibilities. Because of the need of these qualities in the manual, many sales departments have found it profitable to call on the advertising department for writing that

pulls. A manual is of no service if the salesman will not read it. He should not be bored to tears in the process.

If at all practicable, the sales manual should contain a complete index. If the salesman finds that an attractively written manual is, also, by virtue of an index a handy reference book, he is not likely to let it lie in the bottom of his traveling bag from one year's end to the next.

9. *The physical form of the manual.*—Another factor in determining the attractiveness as well as the utility of the sales manual is its physical form, its size, binding, paper, type, illustrations, cover material, and miscellaneous features. The size of the manual depends upon the exact use to be made of it. If the salesman must have it with him during every minute of his selling time and if he is compelled to carry any sizable sample goods, the manual should, if possible, be of pocket size. A manual that is small, however, has a great many disadvantages. Obviously, it cannot contain a great deal of material and, if the product or proposition is complex, the manual must needs be large.

Another point to be considered in size is readability. If the manual is small, the page, whether mimeographed or printed—and most companies prefer attractive printed manuals—must be small. This means that if a great deal of material goes into it, the type size will be small and the lines and words closely spaced, all of which makes a manual hard to

read. A great many companies are finding the regular letter size, $8\frac{1}{2} \times 11$ inches, preferable. The manual can then be carried conveniently in the salesman's traveling or sample case and most of the disadvantages of smallness, with respect to readability, are overcome.

Loose-leaf binding of sales manuals is proving increasingly popular for the reason that new material can be added at any time. The one probable disadvantage of loose-leaf binding is that an up-to-date index is impossible unless frequently revised, a practice which many companies using loose-leaf manuals are following. Of course, if a manual is permanently bound, the salesman is assured of having a complete manual at all times.

Careful selection of the paper on which a manual is printed is important. The paper should not only have durability, but should take the proper type and the desired illustrations. Some companies find it profitable to use paper of different colors in different sections of the manual; this is a good practice to follow if the manual is divided on the "must," "should," and "may" basis.

The type in which the manual is printed should be selected with particular care. It should be readable, and attractively readable. The suggestions of a good printer on this point are always advisable. Not only text type, but type for the proper headings and subheadings, should be carefully chosen. Photographs, sketches, cartoons, even pen and ink drawings add

much to the good sales manual. Companies that can afford the expense even go so far as to include two-color and four-color reproductions.

Flexible leather or imitation leather cover materials add to the manual's utility and beauty and hence are increasingly used. Cloth and even good paper covers are less expensive substitutes. The cover should be of sufficient size to protect the edges of the paper. Pockets in the cover for holding letters and communications from the home office are convenient. Blank pages on which the salesman may make his own notations and memoranda are useful and encourage reference to the manual. As in the case of any publication, expense should not be spared to make the physical form of the manual in keeping with its contents.

10. *Methods of compiling a manual.*—In preparing a sales manual, the methods to be used in compiling it constitute a matter of the first importance. It is usually advisable for the sales manager and his assistants in the home office to draw up a tentative skeleton outline of what they wish to include in the manual. The real gathering of material then begins. The following four methods have been used with success separately and in combination:

(a) Interviewing successful salesmen
(b) Studying salesmen in the field
(c) Sending questionnaires to a successful salesman or to all salesmen
(d) Making a careful study of available sales material and other sales manuals

Interviewing successful salesmen would seem to be the most obvious means of securing information necessary to fill in a tentative outline. It has one very common drawback—many successful salesmen are unable to describe the methods they use. If they can, the manager who is preparing the sales manual is indeed fortunate; he can get first-hand information from his most valuable source, the man who makes the sale.

For the very reason that many successful salesmen cannot describe their methods, it has been found more profitable to secure sales-manual material by actually studying the salesmen as they work in the field. This does not necessarily mean that a speed stenographer has to accompany the salesmen on every call. Branch managers are often able to tell how individual salesmen operate as a result of discussion at sales meetings. If records have been carefully kept, they can be digested. And, of course, it is not unusual for the manager to accompany an individual in making calls.

The third method is the sending of questionnaires to successful salesmen or to all salesmen on the force. Variations and supplemental devices have served to aid in the effectiveness of this method. A number of companies offer prizes for the best answers submitted. Others have found it wise not to send many questions at a time, in fact, to submit the questionnaire question by question. If a salesman can study each question carefully and if there is proper incen-

tive for him to make the best possible answer, this method has advantages.

The fourth method, that of studying sales material and other sales manuals, is not so feasible in the actual gathering of material as in the checking of material gathered against what has already been done. It may help in that process which must be gone through after the available material is in hand; viz., the selection of the material to be used and the rejection of other material, and the classifying and arranging of the information in hand, preparatory to the writing of the manual as a whole or in part.

11. *Revising original drafts.*—One writing will not usually suffice; drafts should be tested and revised, and thought should be given to the methods by which the latter procedure can be accomplished. One method is to submit tentative sections of the manual to salesmen by mail asking their criticisms of it and suggestions as to how it may be bettered. Here, again, the salesman's reluctance or inability to write is often a handicap. Hence, a much better method is to call into the office for conference a number of the firm's best salesmen and discuss together tentatively prepared sections of the manual.

If the manual has a separate section for each of the products in the line, the salesmen most successful in selling each particular product may be called in to give their criticisms and suggestions on that section. Branch and district managers should also have opportunity to pass judgment on the manual. This

whole procedure is valuable not only for the suggestions received, but for making the entire sales force feel that the manual is at least in part their own work.

Those parts of the manual, which deal with departments other than sales, should be drafted by competent representatives of those departments. The section on the manufacture of the product should be scrutinized by some production official. By the same token, an official of the credit, order, packing, or other departments should each be given an opportunity to criticize constructively the part of the manual in which he is interested. Particularly in the matter of revision, too many cooks, if they are competent, cannot spoil the broth. And it is well for the sales force to know that every part of the manual has been approved by a competent individual.

12. *How should the manual be used?*—What use should be made of the manual after it is compiled, written, and distributed? Many a young salesman —for young ones are usually most susceptible to manuals—will tell you that his sales manual is his Bible. He usually gives his testimony with deep sincerity and he means that he uses the manual as a God-fearing man of old used the Bible. He doesn't read it just once a week, or in sales meetings, or for special occasions; it is his source of information and inspiration, the final and complete authority on almost any question which arises—almost literally a guide by day and by night. This is the manner in

which a sales manual should be used, and the sales manager who does not give every opportunity to his salesmen so to use it is falling short of his full duty.

As a device for training, the sales manual may be used as a text in a formal or an informal sales course. If this is done, it may be well to make the manual the text for a post-graduate class meeting in sales conferences and informal sales get-togethers. It should be the basis for discussion at such gatherings.

Certain sales managers have found another time-saving use of the manual. In their regular sales letters they advise and encourage individual salesmen to study the sections of the manual applicable to their particular needs. This is not only an economical practice from the sales manager's point of view, but it also encourages the salesman to use the manual.

13. *Getting salesmen to use the manual.*—How to get the sales force to use the manual is a problem in itself and one raised by sales managers the country over. Various ways have been devised, the first of which has been hinted at. If no one else reads a book the authors will, and, if the salesmen are definitely given a part in the preparation of the manual, they are more likely to read it than otherwise. A little salesmanship often helps; the force should be told repeatedly and effectively that the manual is a good book, that it will increase sales.

Various companies have had interesting experi-

ences in getting their salesmen to use the manual. E. V. Walsh of the Timken-Detroit Company suspected that his men were not reading the manual. He decided to give a course of sales lectures. From the start they proved to be very interesting and the salesmen insisted that the lectures ought to be set down in permanent form for their use. They were sportsmanlike enough to take the joke when Mr. Walsh informed them that he had been repeating verbatim the sales manual.

The Delco-Light Company believes that people are interested in something new; hence, they get out a fresh sales manual every few months, even though much of the previous edition is included in the new one. This company and one or two others hold at sales meetings a sales-manual spelling bee. Questions are asked, the answers to which depend upon knowledge of the manual. A prize is offered to the man who is the last "spelled down."

A more common method of insuring this use is to make the manual a subject of discussion at sales meetings. Salesmen can be told that they may be called upon without warning to speak at the meeting on some subject covered in the manual. Some companies, finally, conduct periodic written examinations on the manual which amount to correspondence courses in salesmanship. Certainly any legitimate method of making the salesman use the manual is justified. A carefully prepared and attractively presented sales manual is an instrument of value,

a sales training device which is immediately and continuously effective.

REVIEW

Define the sales manual. What information should it generally contain?

Give the classifications into which the manual should be divided.

List the points you would include under each of these classifications in a manual for the sales force of your own company.

Which do you think is the best method for compiling a manual? Give your reasons.

List four uses of a sales manual.

What means would you employ in getting salesmen to use it?

CHAPTER IX

EQUIPPING THE SALES FORCE

1. *The use of tangible equipment.*—In considering the salesman's equipment, we shall of course take into account only tangible equipment. The intangible equipment—knowledge, ability, industry, personality—must be determined and conditioned by proper selection and training. It is to be remembered, too, that the equipment of salesmen varies widely. A machinery salesman may have to carry blueprints and even miniature models. The salesman for a drug jobber may have to carry samples of the entire line, which will fill several traveling cases or trunks. On the other hand, the life-insurance salesman will probably carry a rate book and nothing more. In our discussion, we can take up only the general equipment usually necessary for most salesmen, indeed, for most traveling salesmen. Special needs for a particular company have to be determined by close analysis of the company's selling task.

2. *Aids in obtaining interviews: the advance card.*—Two kinds of equipment are ordinarily necessary for a sales force: (a) Aids in obtaining the interview; (b) aids used directly in making sales. The first article of equipment used for obtaining the interview

is the advance card. Its obvious purpose is to announce to the buyer that the salesman will call at a certain time. A good advance card should do much more than that. It should favorably announce the salesman's coming. It should serve to save salesman and buyer both time and money. It should create a permanent amount of goodwill both for the salesman and the firm he represents. It is the realization of this multiple usefulness of the advance card that has led many companies to make of the card an effective piece of direct-mail advertising and not a mere announcement of the salesman's intention to call at a certain date. If the last were the only consideration, the salesman could just as well use a government post card.

The efforts to make advance cards something more than mere arrival announcements have produced some interesting results. C. B. Larrabee, in *Printers' Ink Monthly,* has made an interesting study of advance cards in use at the time of his investigation. The cards can be divided ordinarily into two types: those having a novelty feature to attract attention and build up goodwill; and those which, like blotters, have a utility feature. These types can, of course, be combined.

3. *Examples of advance cards.*—In the series of advance cards used by the B. F. Goodrich Company is one showing miniature reproductions of current Goodrich advertising. The inscription reads:

Miniature reproduction of the striking full-page advertisements Goodrich is running in the big-city newspaper rotogravure sections. Five million readers weekly—all through the heavy buying season. Will see you about July 17.—James A. Green, The Goodrich Man.

The card, in fact the whole series, had a number of good points. They were novel and caught attention. The particular one mentioned reminded the dealer of what the company was doing to push the line by means of advertising. This probably gave the salesman an opening when he did arrive. Finally, the cards were printed on blotters, so that the dealer was likely to keep them on his desk for blotting purposes and at the same time be constantly reminded of the Goodrich salesman who was coming.

A good example of utility card is one used by the Whitaker Paper Company which consists of a post card. On the address side is the simple announcement: "I expect to have the pleasure of calling on you on or about .....—R. M. Hunt." Beneath this is the company's trade mark and the line, "See the other side of the card." On the reverse side is a check list of the company's many products, with an invitation to the dealer to check those items in which he is interested.

It is easy to see that this card can be particularly useful for the salesman calling on a dealer who may use fifty items of the Whitaker Company's line. When the dealer receives the card, he will check up and prepare for the salesman's coming. A number of

companies feature one of the products in the line on the advance card.

The advance card should be in keeping with the type and quality of the company and its product. Dignity, beauty, and utility are featured in the advance card of Sargent & Company, hardware manufacturers, under whose name a neatly gloved hand is pictured grasping a metal knocker. Some companies occasionally use humorous or semihumorous cards. This should be done with care and should be in perfect good taste.

4. *Advantages and disadvantages of advance cards.*—In addition to saving time and creating general goodwill, advance cards have been known to save orders for a salesman until he arrived. Against these advantages the point is sometimes made that advance cards are really warning cards. It is generally admitted, however, that if a dealer wishes deliberately to evade and dodge the salesman, there is something wrong with the latter's salesmanship. Despite this consideration, it is good policy for the house to allow the salesman to mail out his own cards and even to leave the use of them to his discretion. When the salesman mails out his own cards, he can make them fit whatever adjustments he has had to make in his itinerary. The cards the company has designed may not fit the particular clientele in his territory. If they do, and if they are a selling aid, the enterprising salesman will be only too anxious to jump at the chance to make use of them.

Mr. Larrabee has evolved several rules for designing successful advance cards:

(a) Keep them snappy.
(b) Change them frequently so they don't become monotonous.
(c) Don't force a salesman to use them against his will. If they are good enough he'll come around to them in time, of his own accord.
(d) Don't try to make them too clever. They may become mere cartoons—and cartoons are neither good advertising nor effective announcement.
(e) Make the advance card helpful to the dealer, either as advertising matter, as a checking list, or something to use on his desk.
(f) Try to get a form of card that the dealer will keep with him.
(g) Remember that the average salesman who has a pretty good hold on his territory is just as anxious to let the dealers know he is coming as his firm is to sell goods. More than one advance card has saved a salesman a bill of goods because it has reached the dealer in time to make him hold over his order instead of buying from a competitor's salesman who was on the ground first.
(h) Last of all, make the advance card something besides a mere announcement that the salesman is coming.

5. *The business card.*—Another widely used equipment device which helps to obtain the interview is the business card. Here, again, there has been an increasing tendency to make a bit of equipment something more than just an announcement that the salesman is outside and would like to see the buyer. Of course,

there are plenty of instances in which it is not good policy for the salesman to use cards. To give or send a card to a small-store retailer only sets up barriers.

Where the business card is used, how shall it be made up? Shall the salesman be designated as a salesman or as a selling representative? Shall the company's name go on the card? Or shall both the company's and the salesman's names be placed on the business card? An interesting point has recently arisen in regard to this matter. Certain companies have discovered that the phrase "representative of" or "branch manager" makes the company liable for certain actions of their employees for which they cannot or do not wish to accept responsibility. One company has its field men print their own cards and letterheads and forbids the use of such phrases as the foregoing.

The decision whether the salesman's name or that of the company shall be featured on the card depends on whether entry to a certain class of prospects is to be gained through the salesman's personal acquaintance or goodwill, or through the prestige of the company. This consideration sometimes makes necessary two types of cards for the same salesman. For old customers his name may be featured or may stand alone; for new prospects the card may feature the company's name with a New York or London or Paris address.

If the trade mark of the company is well known,

this may go on the card in miniature form. If the length of time the company has been in business carries weight, it may be well to place on the card, "Established in ....." It may be worth while, too, to place an address and telephone number on the card. Such details, of course, give the card an advertising value. If the card is to feature a certain product or proposition, it may do so strikingly by the proper use of color and design. Where a card is to be filed for reference, it should bear some attention-attracting design. Care should be taken, however, not to place too much matter on a business card; it may take too long to read and it may scatter the attention of the buyer receiving it.

6. *Business card should reflect character of company.*—If the card is to have an advertising value, it should reflect the character of the company. Novelty cards have sometimes been successfully used for this purpose. The Aluminum Cooking Utensil Company used as a card a thin sheet of aluminum carrying the representative's name, the name of the company, and the trade slogan, "Wear-Ever." A photo-engraving company equipped salesmen with business cards which were really half-foot celluloid rulers upon which were printed measurements for printing type. A lithographic company had its salesmen carry a booklet of lithograph sheets upon which appeared in color perfect likenesses of the salesmen. Under the picture was this message: "We get perfect likenesses. That is one of the strongest points about our business.

This is a perfect likeness of Mr. ——, who is representing us, and who will be glad to show you how we have satisfied scores of other lithograph users."

A company selling largely to retailers found that the advertisement painted on the salesman's automobile not only obtained interviews but actually resulted in retailers' soliciting them. If the salesman parked his car on the street to call on one retailer, he was likely to be stopped by another next door or down the street who had seen the automobile with the advertisement on it.

7. *Equipment which aids directly in making sales.* —The second type of equipment is that which aids directly in making sales. This type consists largely of sample cases, models, photographs, motion-picture projectors, advertising portfolios, and testimonial booklets, the justification for whose use rests on the psychological principle that it is more effective to appeal to three or four or five senses rather than to the auditory alone. Such equipment is of particular aid to the salesman who is not especially adept at painting word-pictures. This rare art, moreover, consumes selling time.

First among the problems of equipment confronting the sales manager is the planning and construction of the sample case. Decision on this matter is contingent upon several considerations, the first of which is how much of the line should be carried in the sample case. In general, a more complete line is to be carried of specialties than of staples. If the line

is large and the salesman has the opportunity of selling almost a complete line to every customer, the problem is a big one and usually demands that the salesman use a trunk and engage a sample room. Some companies overcome this necessity by allowing the salesman to carry samples of leaders in the line and photographs of the other products. Of course, if the product is sold on the basis of texture of composition, there is no substitute for the sample. The use of automobiles for travel has made possible an enlargement of line in a great many instances.

8. *Size, shape, and arrangement of the sample case.*—In constructing a sample case, several factors should be considered such as weight, shape, contents, arrangement, and cost. Obviously, if a sample case is too heavy, the salesman will be tempted to leave it behind. A recent survey of a number of companies indicated that the weight of sample cases varied from five or six pounds to fifty or sixty. It is an energetic salesman, indeed, who will carry sixty pounds around all day, even if he has to lug the case only from an automobile to the rear end of a store or to a buyer's office. The advantage of a flat case over a square one is that it is much more easily carried, and fits better in a Pullman berth or even in the luggage compartment of an automobile.

The arrangement of the sample case is a very important matter. In the first place, everything should be where the salesman can get it immediately. Nothing is so annoying in the process of a sale as a sales-

man's stopping and fumbling for some article he cannot find. Many companies have found it desirable to vary the shape and size of different samples, and the receptacles or recesses in which they are to fit, so that the salesman cannot misplace anything. Another principle of arrangement is that products to be emphasized should be placed so that they will secure immediate attention. Where salesmen are required to employ standardized presentations, the sample case is often arranged so that the showing of it can progress simultaneously with the presentation.

The cost of the sample case is an important item where the sales force is large. It is often better, however, to have a small case which looks well than a large one which looks cheap. Most customers judge the line on the appearance of the samples and the sample case. It is a wise practice for a company to place a definite money value on the sample case so that the salesman will appreciate its worth. Some companies even make the salesmen pay for their cases. A more common method, however, is to charge the salesman with the case when issued and cancel the charge upon its return.

9. *The use of the sample case.*—The use of the sample case is a procedure which is being left less and less to the salesman's discretion. Many sales courses now include practice in the use of the sample case in an actual selling situation. The same arguments used for the standard sales presentation may be used for this practice; in fact, the effort on the part of many

concerns to make a more interesting use of the sample case has demanded that salesmen be instructed in the matter.

The Borden Company puts in a remarkably small kit an electrical disc stove, a heating pan, thermos bottles, cup holders, wax paper cups, spoons, napkins —all the accoutrements necessary for preparing a cup of coffee or cocoa. In the course of the selling process, the salesman actually prepares the drink for the merchants; to do that deftly requires instruction and practice. Salesmen for the Heinz line prepare almost a small meal and serve it on a properly appointed table; there is probably one best and most economical way of doing this. It is safe to say that if sample cases are going to be carefully planned and constructed, salesmen should be carefully taught and practiced in their use. The question of carrying advertising portfolios will be discussed later in the chapter; it is only necessary to say here that, if the advertising portfolio can be made part of a sample case, there is no better place to carry it.

10. *Models of products as a part of equipment.*— The use of models for demonstrations is necessary when the product is too large for the salesman to carry although an actual demonstration is required to make the sale, or when products, even in actual size, are difficult to visualize in use in any other way than by seeing them operate. One of the best-known models is that of the Wetzel Mechanical Stoker Company, which has constructed a model only about a

tenth as large as the original, and yet an actual working model. The Chamberlain Metal Weather Strip Company shows how its strips work by having salesmen exhibit a miniature door and window, thus visualizing the function of the product. The whole equipment fits into a compact selling kit. A member of the company reporting in *Printers' Ink Monthly* declares that the use of the kit and models has resulted in:

(a) Increasing percentage of sales to calls
(b) Training green salesmen quickly
(c) Cutting the time spent in making the sale
(d) Increasing the number of calls made by salesmen each day
(e) Leaving a definite impression of what the product is and what it will do, even when no sale is made

11. *The use of photographs and motion-picture projectors.*—The use of photographs and moving-picture projectors and films as sales equipment has gained tremendous impetus in recent years. War conditions were partially responsible, with increased and perfected use of photographs in advertising as a contributory cause. The commercializing of portable projectors has made their use possible in salesmanship. Of course, if photographs can serve as substitutes for actual products or models of products, space is saved and convenience is enhanced. Many companies today are supplementing a partial line of samples with photographs. A part of the Chevrolet salesman's equipment is the profusely illustrated

booklet, "A Ride in a Chevrolet," which not only qualifies the prospect for an actual car demonstration but, in some cases, serves as a substitute for the actual demonstration.

The motion-picture projector has many possibilities as a part of sales equipment. The one of which most advantage has been taken is the demonstration of mechanical products under actual working conditions. Such films are shown largely to technical experts. Recently there has been a tendency to build up a story about a product which not only informs but entertains and interests buyers as well. If more than the product and its use are shown, there is the possibility of developing goodwill for the company by exhibiting motion pictures of executives, manufacturing processes, and other outstanding features in the plant or office. If the time comes when talking pictures can be used for this purpose, personal salesmanship may undergo severe modification.

12. *The use of the advertising portfolio.*—Since advertising, particularly national advertising, has been growing by leaps and bounds, salesmen are faced more and more often with the question, "What is your company going to do to help create consumer demand for the product that you are asking me to buy?" This trend has brought an increased use of the advertising portfolio by salesmen. An increasing number of companies are considering it a legitimate and necessary part of the salesman's equipment. Hence, too, the advertising portfolio no longer con-

tains merely proofs of contemplated advertisements or advertisements that have already appeared, but the devices and tools of a complete merchandising campaign, such as samples of dealer helps, sample devices to coördinate national and local advertising, proofs of the benefits of such a tie-up, samples of successful dealer-to-consumer campaigns, and samples of packages.

Salesmen of George P. Ide & Company have carried the following contents in their advertising portfolios: An attractive, compact, 24-page portfolio or album containing complete proofs of all advertisements to be run in a particular campaign; lists of mediums to be used with exact dates on which each advertisement will appear; actual samples of all dealer helps prepared for the particular campaign; and a bulletin explaining every detail of the campaign and containing definite suggestions as to how to use the advertising, not only as a lever to push orders, but to help the merchant move the goods rapidly after receipt.

13. *The use of testimonial booklets.*—Another frequently carried piece of equipment is the testimonial booklet. Particularly where a salesman is blazing a new trail, the written and recorded testimony of some person or firm of national standing, of some individual known to the potential prospect, may be eloquently effective in securing an order. Of course, the more testimonial letters—if they are good ones—the better. The effect is cumulative; a dozen

good letters are far more than twelve times as strong as any one of them separately.

Since salesmen cannot carry the originals of the letters, the method of preparing copies must be decided upon. The showing of the letter to the customer should be as realistic as possible; hence, the best way is to photograph or photostat the original letter so that the authentic letterhead and signature are shown. Only strong endorsement letters should be used and the point to be emphasized may be underscored, encircled with a line, or pointed to with an arrow or index finger. The letters should be securely bound together and so arranged and tabulated that they are easily accessible to the salesman.

Ingenious and enterprising salesmen often find it advantageous to obtain strong testimonial letters in the territory which they are covering. A new prospect is more impressed with a letter from someone in his own city than by a letter from someone, however well known, who resides in a distant community or city. The letters that the salesman has obtained for himself he can naturally use with greater enthusiasm and sense of reality. Some salesmen use testimonial letters as advance announcements of their calls. Others use them for follow-up work with both sold and unsold prospects.

REVIEW

Give five rules for preparing effective cards.
What purposes should a business card serve?

List the items which a salesman for your company should carry in his sample case.

Name three uses which a salesman may make of a motion-picture projector.

List the materials that should be included in the advertising portfolio.

How should letters be prepared for the salesman's testimonial booklet?

CHAPTER X

ASSIGNING AND ROUTING SALESMEN

1. *Importance of assignment and routing.*—Most modern distributors carefully assign and route their field salesmen. It is seldom held to be good practice to allow salesmen to roam about at will in a free-for-all scramble, to pick up business wherever it may be found. Such a procedure is too likely to result in the underdevelopment of difficult groups of prospects and in a bitter battle among the salesmen for the business of other groups that are more constantly in the market or that buy in large amounts without offering much sales resistance.

There is little advantage in allowing the majority of the sales force to rush to Ohio or to Larchmont, N. Y. while Connecticut or Forest Hills, L. I. are entirely neglected. Uncontrolled field visitations must inevitably produce "spotty" and uneven sales that bear no relationship to market potentialities. Moreover, no assignments or indefinite assignments result in cross-tracking and duplicating travel that increase the costs of field salesmanship out of any economic proportion to sales.

From the point of view of turnover in the sales force, assignment and routing are also important.

Uncontrolled field work will make it difficult for any company to secure and hold desirable and efficient salesmen. Any worth-while salesman wants some assurance of definite territorial assignment. If the salesman is to build future business, he needs to feel that he has a definite clientele and that his work will yield a reasonably secure compensation. He further expects that by means of definite assignments, sales opportunities will be equalized among all the members of the sales force in so far as equalization is possible.

In many instances, assignments have come into being accidentally and unconsciously. The individual salesman, if left to himself, does not define any territorial division. He works in terms of accounts and, consequently, often builds up over the years a customer clientele that is in large part inseparable from him even to perfect a better control of field sales work. In such situations salesmen may cross and recross each other's routes most uneconomically, but since they have developed their customers' confidence and loyalty on a purely personal basis it may appear to be unwise to make any radical change. Nevertheless, with modern competitive conditions as they are, most concerns whose present assignments are largely accidental, even though they may be well established and productive of customer goodwill, would do well to make opportunities for more scientific sales assignments in the field.

2. *Politically bounded field assignments.*—The most common method of assignment is the general

geographic assignment. Many concerns that sell over a wide market area or over the entire national market take the easy course of merely dividing the whole territory along state lines. New York State is assigned to one salesman, Ohio to another, two or three western states to another, and so on.

It is well recognized now that such a political division as the state is an unsatisfactory basis for field assignments. Territories need to be allocated in accordance with their business possibilities rather than according to geographical limits. One state may differ tremendously from another state in sales potentialities. Moreover, railroads and transportation facilities are not laid out to correspond even roughly with state lines.

Again, the state as a unit may be entirely too large. It may comprise several different markets deserving of individual solicitation and constant visitation. In the same way, the city may be too large. All too frequently, salesmen are assigned to cities of 100,000 or over simply because rule-of-thumb experience has seemed to indicate that only such cities would provide enough sales volume to support a salesman. Yet, in certain sections of the country, the trading area that surrounds a city of 100,000 may actually exceed the city itself in sales potentialities. A territory of such a type may deserve the attention of two salesmen.

In spite of the weaknesses of geographical boundary lines as bases for field sales assignments, some

geographical units of the whole market need to be set up and recognized. If expenses, trends, returns, and ratios are to be used as measuring devices either in estimating sales possibilities or in checking accomplishments for the purpose of further planning, some geographical unit must be used. Otherwise, the staff marketing executives must fall back upon general averages over "unrelated and unlike" competitive situations in all their forecasting and planning.

3. *Trading areas in relation to assignments.*—To avoid the arbitrariness of geographical boundaries and at the same time to set up some definite geographical units, most progressive companies divide their territories into "trading areas." In order to be able to use different types of statistical data that are available only county by county, most trading areas utilize the county unit as much as is possible. Whole counties are included in the various trading areas, but the grouping of the counties in a particular trading area is set up according to the influence of some trading center, and the problem of adequately covering that center and its surrounding and dependent area. One trading area may be extensive; another may be small.

The assignment of field salesmen, then, should take into account the various trading areas that have been set up for sales forecasting, for the measurement of accomplishments, and for market planning. This statement does not mean that a single salesman may not be assigned to more than one trading area or that

a single trading area may not have assigned to it more than one salesman. It means merely that the assignment of field salesmen should conform somewhat to the whole trading area. If it is unwise or impossible to assign each trading area to a special salesman, enough conformity between assignments and trading areas should be provided to permit accomplishments to be reported accurately, trading area by trading area.

The fact that trading areas are desirable as a tool for checking results and for future planning must never be overlooked. Neither assignments nor routes should ever permit wanderings that make it difficult to compile accomplishment data according to definite trading areas. Moreover, it is certainly true that a sales quota system can be worked out most easily when each salesman is assigned to one or more whole trading areas, and when certain whole trading areas are accurately divided and assigned to the entire time and energy of two or more salesmen.

4. *Factors that more directly influence assignments.*—There are several other important factors that should be taken into account in attacking the problem of field assignments. These factors influence final decisions, whether the effort is to assign the salesmen on the basis of politically bounded geographical areas or on some basis of conformity to already-defined trading areas. They are as follows:

(a) The number and location of customers and prospects

(b) Transportation facilities
(c) Necessary frequency of salesman's calls
(d) Time required for the average sale
(e) The degree of sales supervision and assistance

Naturally, these factors, in turn, depend upon the type of product offered and the type of market to which the product is offered. They are simply phases of the selling task, but phases that must be examined somewhat individually.

5. *Number and location of buyers.*—The number and location of customers and prospects should serve as the broad fundamental basis for field assignments. These may be gathered and listed by counties or states if the general political subdivisions are being used, or by trading areas if the more scientific market unit has been adopted. Obviously, if a particular concern maintains a market research department, the task of compiling such a list of customers and prospects should fall to this department.

For a part of this work the salesmen may be used, but it should be remembered that few salesmen really know the sales possibilities of the areas over which they travel. However, if they are occasionally taken off sales work and asked to gather data about areas under the careful supervision of the research department, they may prove very helpful. At all events, some machinery must be provided in the home office for the purpose of setting up an accurate list of customers and prospects. Fortunately, statistical compilations are becoming increasingly available,

such as the "Market Data Handbook," published by the U. S. Department of Commerce, and the various trade directories. These are very useful in compiling lists and locations of prospects.

6. *Transportation and frequency of visitation.*—In order to group prospects and customers on any market-unit basis so that they can be reached economically, it is necessary to give careful consideration to transportation facilities. Where good roads are few or where rail facilities are poor, the number of customers or prospects that can be visited by salesmen will be sharply reduced as compared with areas that present splendid railroad and highway facilities. The company's willingness to use the automobile in selling will also be a factor in this connection. While this matter of transportation may be said to be of more importance to the problem of routing than to the problem of assignment, it cannot be neglected in either case.

The number of times each year that a customer should be visited depends very largely upon the nature of the product sold, the buying habits of the customers, the practice of competitors, and the interval selling support given to the salesman by house correspondence or direct-mail house contact with customers. In certain convenience-goods lines, where the seller is marketing directly to and through retailers, sales visits may be necessary as often as once a week. Both the retailer and the wholesaler appear to be buying from hand-to-mouth, covering an in-

creasing variety of products. This method of customer-buying calls for frequent solicitations and must be weighed very carefully. Inevitably, too, the practice of competitors must somewhat set the pace in this matter of sales calls. Furthermore, if the house does not support the salesmen between calls upon customers by means of other selling methods, infrequent calls will invite substitution and loss of business.

The time required for any average sale should be subjected to inquiry. Some products can be sold on a one-call basis; others require a number of successive solicitations. Some necessitate a complete ten-to-fifteen-minute sales presentation. Others call for little expenditure of time or effort. These variables should be considered in an effort to set up a standard average of calls that can be expected of a salesman in a given day in a given market area. If it is important to discover how many people must be visited and how often they must be visited, it is also important to find out how many visitations the average salesman can accomplish in a day.

Care must be taken, however, not to accept at face value past or current performances. Most salesmen that are loosely supervised probably average far fewer calls per day than a detailed study would set up as a possible, economical, and effective minimum. Nor should this inquiry be narrowly limited to face-to-face selling interviews. It must also take into account the various non-selling tasks that the salesman may be expected to perform on an average day.

7. *Degree of sales supervision and assistance.*—Finally, the degree of supervision and sales assistance that is to be provided by the house must be considered. Intensive work by the individual salesman appears to be quite dependent upon close supervision from the home or branch office and upon an effective and direct cultivation of the field by direct advertising and other sales helps. While there is considerable difference of opinion on this point, there are many sales experts who believe that, when field supervision is loose, the individual salesman should be given rather large assignments—that without considerable support, guidance, and assistance, the salesman cannot intensively cultivate all the sales potentialities that may be present in a restricted assignment. It is natural for salesmen to want an abundance of prospects to work on and of ground to cover. To get them to work intensively—to concentrate—it is usually necessary to show them where sales possibilities are and how easy it is to develop overlooked prospects into customers. Any such undertaking means careful sales supervision and abundant sales assistance on the part of the home or branch office.

In some lines of business, it may be possible to give definite task assignments, without consideration of state or county lines, on the individual customer basis. This type of assignment may call upon the salesman to sell a customary order, to collect a bill, to make an adjustment, to persuade an old customer to stock a new product, to deliver some advertising material

to a prospect, and so on. If task assignments are to be effective, however, there must be an adequate system of contact between the home or branch office and the field for the continuous collection of information concerning the tasks that should be performed. As a consequence, very few companies have been able to refine assignments down to a task basis, customer by customer.

8. *Flexibility in assignments.*—Many sales managers believe in the flexibility of territorial assignments, and some organizations allow the commission salesman to cross over his territorial lines into another salesman's territory when he can show that he has a good lead to a prospect in that field. Carol Lyttle of the Dictaphone Corporation justifies this procedure in an article he wrote for *Sales Management:*

> Experience and study show that this plan of selling brings more business than any other kind. In studying this method of selling as contrasted with "cold-turkey" canvassing we found that every salesman was constantly developing contacts with prospects which were outside his territory. Turning these prospects over to another salesman meant that the original salesman's knowledge of the prospect and his enthusiasm, resulting from having unearthed a hot prospect, was lost. The second salesman to work on the lead is far less likely to close the order than the man who originated the contact . . .
>
> With this plan in effect, every salesman is more alert and active for two reasons. First, he wants to get as many prospects as he can, and, knowing that he can follow prospects wherever they lead, he never passes up an opportunity to make a sale because the prospect is out of his territory. Then there is a second reason. Every salesman likes to

feel that he is getting all the business in his territory, and he considers it a distinct reflection on his work when another salesman can walk in and close orders.

There is no question but that the Dictaphone Corporation is successfully carrying out this flexible territorial program, but, in general, it is a procedure that will cause innumerable complaints from salesmen who are supposed to hold their territories exclusively when working on a commission basis. Arguments on compensation are demoralizing in a specialty-selling organization, and the average salesman, on seeing another man step into his territory and take the commission on an order, becomes dissatisfied and usually goes into a slump. It is true that special arrangements can be made with salesmen whereby the commission may be divided, but even this is not always satisfactory territorial practice.

If the sales manager believes that the salesman in a given territory is not living up to his obligations or is not producing an amount of business to justify his holding that territory, then either his territory should be reduced or the salesman in question should be replaced by a better producer. When a sales organization is functioning loyally and intelligently, coöperation from one territory to another should be passed on from one man to the other. In this way the organization is knitted together more closely.

The danger of a man in crossing his territorial lines is always in evidence. The grass often looks greener and thicker on the other side of the fence, and many

men in a sales organization feel that the other fellow's territory is better than his. If a man is unable to develop his own territory, he has no right to consideration, but, if he is functioning properly, he is entitled to every consideration and protection. Wherever freedom of territorial action is permitted, it must be thoroughly understood between the management and the salesmen when the original arrangements are perfected. Of course, greater flexibility can be exercised where the compensation is on a salary basis or on a part-salary and part-commission contract.

9. *Fitting the salesman to the assignment.*—Another important question in making assignments is fitting the right salesman to the right type of territory or list of customers and prospects. Territories or buying groups have certain specific peculiarities of nationality, language, buying habits, and what not. Salesmen, too, have their peculiarities and deep-rooted selling habits. In order to secure a proper relationship between the salesman and his assignment (buyer), some thought should be given to the task of placing the right salesman in the right place.

A salesman who is accustomed to "storming" into the New York City grocery and delicatessen stores and telling the owners what they must buy may be entirely too aggressive for a far-western or mid-western assignment. The salesman who does his best work when he is wearing a flannel shirt and operating a muddy car may fit certain assignments. So, too, may the salesman who wears Fifth Avenue clothes,

speaks Oxford English, and assumes a sophisticated attitude. But their places are not likely to be the same. To jam and squeeze them into the same type of territory or to foist them upon the same general type of prospect and customer, places a very heavy burden upon standardized field training and supervision and sets up the risk of losing much possible sales volume.

10. *The problem of routing.*—Closely allied to the whole problem of field assignments is the problem of routing salesmen so that their assignments can be covered most economically and effectively. While many companies still cling to the custom of routing only the new men, there is a growing realization of the need of routing the entire force. The older men may often resent arbitrary routings imposed upon them by the home or branch office and may use the fact of arbitrary routing as an excuse for a poor trip, but, generally, it is wise to control the order of visitations to some extent at least. Broken train schedules, high fares, and frequent time-table changes mean much unnecessary expense when the salesman is left entirely on his own responsibility in this matter. Unquestionably, a lack of attention to routing is costing many business houses thousands of dollars each year.

Itineraries can be laid out systematically, if the planning is done upon a basis of complete information about market areas. If this information is lacking, however, itineraries which offer no flexibility often result in the salesman's overlooking small deal-

ers because he is afraid to stay over a few hours in a certain town or to depart from his assigned list of customers and buyers. The purpose of routing is to provide for economical and effective visitations, but itineraries must not be worshiped. Some flexibility must be provided on the chance that the home or branch office does not possess absolutely complete information about the situation in the market area.

It is common practice to classify travel routes as follows:

(a) The swing route used by the salesmen who rotate regularly in a comparatively restricted territory or among a limited list of prospects and customers
(b) The seasonal route generally used by salesmen who travel over a territory or among their prospects and customers from two to four times a year
(c) The special trip route used by emergency or special salesmen

For most companies that sell over wide market areas, at least the first and third types of routing are necessary. The use of the seasonal route is naturally restricted to particular product lines.

11. *The swing type of route.*—The swing type of routing is regularly used by concerns that cover local areas or that concentrate on frequent visits to limited groups of prospects and customers. Selling convenience-goods or shopping goods directly to retailers or jobbers ordinarily calls for swing routing. This type of routing appears at first glance to require little supervision. The salesman who calls regularly

upon a limited group of buyers should be able to develop an effective and economical selling technique.

Nevertheless, careful routing of this type offers no guarantee that field supervision can safely be neglected. Knowing a territory or list assignment too well has its dangers for the salesman and the house. The salesman's regular rotation among the same buyers and in the same areas makes it easy to develop friendships outside of possible buying groups. Poker, pool, and billiard associations may encroach upon the working day. Consequently, task assignments are peculiarly necessary to this type of routing. A careful check must be made upon the salesman's work, and supervision of his spare time must be provided.

12. *Seasonal routing.*—The seasonal route seldom assumes anywhere near the permanent character of the swings. In fact, every seasonal visitation should be individually planned. Frequently, conditions will arise that will make it necessary to visit towns out of the order into which they customarily or economically fall. Crop, credit, and general business conditions in localized areas may make it advisable to visit these areas early or late on the trip, irrespective of the convenient circling possibilities offered by the territory as a whole.

Seasonal routes, moreover, should be laid out to present considerable flexibility of movement even after the salesman has been sent on his way. Routing the whole tour can be only generally pre-planned.

Sudden shifts may become absolutely essential. In the seasonal tour, then, it is exceedingly wise to make the routing executive rely to a large extent upon the daily advice from the salesman in the field.

13. *Special trip routing.*—If the swing and seasonal routes are carefully handled, the special trips present no real problem. A check of the accomplishments of the salesmen who cover the swings and the seasonal routes will indicate the weak market areas and the circumstances that may make special trips advisable. Very frequently, those concerns that use a regional and branch-office system of field organization send out the divisional managers on special trips. Again, if the regional branch and crew organization is used, the sales foreman or supervisor handles the special trips within a territory or among allotted groups of customers and prospects.

At times, however, some of the regular swing salesmen may be dispatched on special trips to make collections, to set up window displays, to gather information for the credit and market research departments, or to perform some other necessary non-selling task. Actual selling trips on a special assignment have certain advantages. Special visitations often flatter a prospect or customer, and selling, moreover, helps to keep the regular salesman on his mettle.

14. *Most assignments are too extensive.*—Most concerns that make a periodic and scientific analysis of assignments and routing discover much need of

rearrangement. In the majority of cases, such investigations establish the fact that the old assignments are too large. One such inquiry reported in *Printers' Ink* disclosed the interesting information to one company that it was doing 85 per cent of its business within 300 miles of headquarters, but that the total volume of business it was securing in that territory was only slightly over 7 per cent of the gross volume of business in that particular zone. The home-city analysis showed that the company was attempting to cover 2,500 potential outlets with two salesmen. Yet, at most, these two salesmen could not possibly make more than fifteen calls per day and perform any genuine selling work. The company's sales visitations, then, totaled 750 per month at best. Consequently, it was hardly astonishing that the company's competitors were successful in getting 93 per cent of the home-town business.

The remedy for the situation was apparent and was put into operation immediately. The home city was cut into four districts, and two of the salesmen, who were working the outer frontiers, were brought home and put on the city sales force. Later, the city was divided into districts and men were regularly assigned to the city trade. Two years of this type of concentration more than tripled the home-town business. Further, as the field sales manager pointed out, this additional business was obtained without having to pay traveling expenses and at merely a local delivery expense. The money saved in traveling

expenses and freight charges was sufficient to pay for an effective local advertising campaign.

Such conditions could be discovered in many cases. Reduced territorial and list assignments are the order of the day. There are many marketing experts who firmly believe that the greatest single factor in the building up of methodical, matter-of-fact, creative sales work is the reduction of territorial and list assignments.

15. *Routing by automobile.*—With the trend toward concentrated field salesmanship has come a growing use of the automobile in selling. Very often, a concentrated coverage of trading areas is practically impossible on any economical basis, if the routing has to be carried out by steam, electric, or bus facilities. The sales potentialities, moreover, may be entirely adequate to permit the expense of operating a motorized field sales force. While a decision on this policy must always be determined by the individual company's particular situation, some general conclusions about automobile selling can be drawn.

Routing the salesman by automobile should enable him to make a greater number of calls per day and should increase his sales opportunities. Moreover, it should enable him to reach inaccessible prospects and customers who, under other routing methods, may be continually neglected. Again, there is considerable advertising value in the automobile itself, if it bears the name of the firm or the product line. Finally, the use of an automobile enables the sales-

man to carry a more complete line of samples and even a minimum amount of stocks from which small trial or "fill-in" orders may be immediately supplied.

The chief disadvantages of automobile routing are:

(a) The expense due to depreciation, maintenance, insurance, etc.
(b) The temptation to the salesman to use the car for pleasure purposes
(c) The general supervising difficulties of a motorized field sales force
(d) Possible legal difficulties because of accidents

These disadvantages must be weighed and balanced against the probable advantages of automobile routing. Certainly, the concentrated coverage of suburban districts, small-town retailers and similar market areas is likely to necessitate the use of automobiles.

REVIEW

What are the weaknesses of the common method of state territorial selling assignments?

What are the most important factors that directly influence the problem of field assignment? Discuss their relative importance.

Explain what is meant by "contact selling" in relation to field assignments.

Prepare a list of situations in which the seasonal method of routing would be exceedingly important.

Summarize the advantages and disadvantages of automobile routing for a particular company.

CHAPTER XI

SUPERVISING SALESMEN

1. *The problem of supervision.*—The field sales manager's problem of supervision and control of his salesmen is an intensely human problem. In directing the whole process of making sales, the field sales manager must deal with a market made up of human beings, each one of whom has his or her personal prejudices, preferences, and idiosyncrasies. Each customer or prospect is just a trifle different from every other customer or prospect. Moreover, the field sales manager must deal with this market through other human personalities, the salesmen, who are just as individual themselves as the customers are, and who also possess their peculiar prejudices and preferences.

Whatever may be the system of selection and training, no two salesmen are likely to react in exactly the same way. The study of this problem is a study in psychology, an inquiry into the methods of securing the best efforts of which each salesman is capable. The resultant system of supervision must allow enough flexibility to permit an individual treatment of individual problems. Every sales organization, however big, is merely an aggregation of indi-

vidual units, each unit different, and each lacking some quality necessary to round it out into fullest efficiency.

2. *The necessity for supervision.*—The necessity for a considerable amount of supervision should be apparent. Salesmen operate during much of their working time away from the home or branch office, removed from definite and direct executive control. Their "spirit is their foreman and their sincerity and loyalty their time card." Practically all other employees work under the direct supervision of "bosses"; usually the salesman is indirectly supervised at best. If the field work is not carefully supervised, it is certainly true that no employee in any other department of the business can do so little, and hold his job, or do so much without recognition, as can the salesman.

It must be remembered that the isolation of the salesman proceeding from the very nature of his work can become exceedingly disheartening. Most of his working time is devoted to meeting and talking with people who feel that their interests are contrary to his own, who bitterly complain about his line, his house, and himself. Again, conditions, like seasonal "let-downs," that are entirely beyond the salesman's control, defeat his best efforts to produce a satisfactory sales volume. Prospects and buyers shower all sorts of excuses upon him—excuses about the bad crops, the pessimistic general business feeling, prices being out of line, and so on. It is easy

to fall into the "dumps." Any isolation from even indirect supervision makes it doubly so.

Then, too, the salesman is the field representative of the house and can build or lose customer goodwill. Often the individual salesman represents the only contact between the customer and the house. What he does and how he typifies the house is of the utmost consequence to the selling firm. It is absolutely essential for the field sales manager to work out some systematic procedure that will provide information on what the individual salesman is doing and how he is correlating his efforts in the field with other forms of marketing methods. The relation of calls to orders, the adherence to assignments and routing, the thoroughness and promptness with which the salesman makes reports—all these details are very necessary and important. But even more important in some respects are the impressions the individual salesman makes upon the trade, the goodwill he is building among his prospects and customers, the future he is building for his house and for himself. In other words, supervision is necessary because there are many things the individual salesman must not do simply because, in a special sense, he is the house in the field.

3. *Supervision involves assistance.*—On the positive side, supervision is necessary because there are certain very definite things that any salesman can do to improve his own selling technique and better serve his house. Left entirely to his own resources, no

salesman can know what to do in every new situation. A system of supervision constructed to study the salesman's work in an effort to help him toward better performance is just as important as a system for checking up on his efficiency. Individual salesmen must be regarded as investments. They must be built up. The purpose of supervision is to provide support and assistance in building up the salesmen. When the men on the field realize that their supervising executives are teachers rather than dictators, there will be little difficulty in securing coöperation between the field and the house. Any system of supervision, then, must have a constructive purpose as well as a protective purpose. It must take into account the fact that every salesman is more or less a grown-up boy. At times he must be restrained and at times he must be led. Every salesman will have his moments when the world is all wrong. Now and then, every one of them will want more to lean upon than his own self-reliance and the power of will that is taught by the affirmative psychologists.

Psychology suggests three important appeals for use in attacking the problem of supervision. They are:

(a) Pride in accomplishment
(b) Monetary reward for work done
(c) Compliment and approval

The first appeal is likely to be particularly strong for the majority of salesmen. It is for this reason that the sales contest is so frequently

an effective stimulating device. The sales contest, however, is only partially a supervising device because it furnishes only temporary stimulation. It is discussed in detail in another chapter. Remuneration, too, will be considered in a later chapter. Here, it is sufficient to say that certain salesmen are stimulated to their best efficiency in part, at least, by a fair and adequate system of remuneration. Nevertheless, after a certain standard of living is reached, the desire for mere money may lose some of its stimulating effect, and often the desire for money is not sufficient to overcome the lack of mental and physical drive native to many types of salesmen.

The appeal of approval is the all-important element in any complete and continuing system of supervision. Each salesman must feel that what he does is known, that his difficulties are sympathetically understood and studied, that suggestions for his improvement are offered in a friendly rather than a patronizing spirit, and that his accomplishments will be sincerely approved and complimented. Any successful system of supervision, then, will aim to develop "the mysterious satisfaction that comes to men who know that they reach the approval of their superiors, with whom they are closely attuned."

4. *Methods of supervision.*—The principal methods of supervision are:

(a) Personal contact with the men in the field
(b) Correspondence with the men in the field
(c) Reports from the field

Just as sales contests, conventions, bulletins, house organs, and methods of compensation aid in stimulating salesmen to better accomplishments, they, too, may be considered as supervising aids. But for the moment, we are concerned with the more individualistic methods of supervision, personal contact, and correspondence. Of course, for any proper and effective use of personal contact and correspondence, systematic and informative reports from the field are essential.

The aim and purpose of personal contact or correspondence contact with the individual salesman is to guide, criticize, and praise him in his work. To guide men, the various supervisors must be able to work with a sure but cautious touch. What they do must inspire confidence. Most salesmen are very quick to detect any lack of ability, or any bluff, unfairness, or weakness in their supervising executives.

When criticism of an individual salesman is necessary, it must be administered with tact. It must not hit the salesman inhumanly on the head. Nor must it be cleverly sarcastic, for salesmen are seldom stimulated by mere irritation. It must be forceful enough to make an impression, however. If it is tempered too much, it will "slide off the salesman's back." Compliment and praise also need to be carefully handled. Appreciative comments that "put it on too thick" degenerate into insincere flattery and have little permanent effect. There is little doubt that administering criticism and praise calls for much

human understanding and considerable psychological technique.

5. *Personal contact as a supervising device.*—The value of personal contact as a supervising device cannot be overestimated. Management psychology works better on a face-to-face, man-to-man basis than it does by mail or in a mass meeting. Broadly speaking, a field sales force will produce orders in the same ratio as they are cultivated, worked with, and helped personally by their field sales manager. It is the personal talk, explanation, and acquaintance that makes the salesman feel that he has a part in the business and is really one of the company. Sales are certain to suffer where the sales manager imagines himself so busy with routine detail that he cannot find time to cultivate his salesmen, or where the company feels that close desk application is the best sign of a hard-working sales manager. Thus it is, that there is a distinct tendency on the part of sales managers to spend more time in the field with their men.

The Dartnell Corporation recently queried some 426 sales managers on the question of time spent in the field. The following results were obtained:

22.8% spent less than 10% of their time in the field
13.9% spent from 10 to 20% of their time in the field
40.5% spent from 20 to 50% of their time in the field
22.8% spent from 50 to 100% of their time in the field

Evidently, in spite of the increasing number of duties that fall to the field sales manager, sales depart-

ments are being refined and organized to relieve him of routine desk tasks that cut down his opportunities to visit the field.

In the case of the larger companies that maintain huge sales forces and that sell to numerous customers, much of this work of personal contact must be turned over to divisional managers and to sales supervisors or foremen. No matter how large a company may become, it is the part of wisdom to provide for personal contact with the salesman. The result is that help and direction are constantly available to the individual, a result that generally more than justifies its cost. The salesman who can and does work consistently and intelligently to his full capacity is rare indeed. He can seldom be left entirely to his own devices.

6. *Methods for the field supervisor.*—If the field supervisor will arrange to spend a day or two at central and strategic points and invite the salesmen whose assignments are adjacent to meet with him in conference, he can accomplish a great deal. In such conferences, he can get information about many sales problems that would not otherwise become available. Furthermore, the conference itself makes it possible for the men to get to know each other and to develop friendly relationships. Moreover, one man will bring up a point that may be good for all to hear, and the exchange of ideas may be mutually helpful.

These conferences, however, should not completely

displace the individual contacts. A day or two with a single individual salesman will lay bare faults of presentation that cannot be discovered from the swivel chair or in the conference room. Such faults may be easy to rectify. Instances such as the following push home the need for individual treatment. Nelson M. Graves of the McDougall-Butler Company, Inc., is testifying:

> I remember spending a day or two with a salesman of ours only to find that much of the information we had tried to get over to him at sales conventions and by bulletins had gone entirely over his head, leaving him altogether bereft of certain pertinent advertising data about a leading specialty which we particularly desired to feature. He was of the plodding, dependable type, so excellent in many respects, but because of lack of education or mental grasp had to be sold by visible demonstrations on subjects that the more facile could acquire with a few moments of concentrated study. Once discovered, his fault was easy to remedy and we now make it a point to give him the benefit of frequent contacts with factory and office executives, both in the plant and on the road.

7. *Supervision through correspondence.*—In addition to adequate provision for personal contact with men on the field, most modern sellers make a definite place for correspondence as a part of the supervisory plan. Systematic correspondence, then, is in no sense a substitute for personal contacts but merely a supplement to them. A daily, semiweekly, or biweekly letter to the sales force is highly useful. In fact, it is almost necessary in order to keep the force advised of changes in prices, offerings, new

bits of selling technique, and similar information. It can also be used for inspirational and stimulating purposes.

Several questions of detail are important in devising a systematic correspondence plan of supervision. The first is the question of frequency of mailings. Obviously, the aim should be to maintain a regular flow of communications at a fairly even rate. Many concerns feel that it is advisable to mail some communication to the field salesman on each working day. In most cases such frequent mailings are unnecessary and may result in careless reading on the part of the salesman. A form letter to the force sent out once a week and supplemented by special form letters and individual letters when needed would seem to be generally sufficient.

Care must, of course, be taken to check mailings against assigned itineraries so that letters will not be missed. In cases where the salesman returns to his home very frequently, it is common practice to print a double return address on the envelope containing the salesman's mail so that if a given letter is not called for it is sent to the salesman's home rather than back to the branch or home office.

In order to guard against careless sorting of mail intended for salesmen on the part of hotel clerks, and to make it easier for the salesman to "spot" his mail on the hotel desk, some firms use an extra large-sized envelope of brilliant color with the salesman's name printed in large type. Frequently, each letter

is numbered so that the salesman who receives Number 14 can check his former letters to discover whether or not he has received Number 13 or some other earlier mailing. This bit of procedure enables him to wire to the house for copies of missing communications and so receive them promptly.

8. *Types of letters.*—As has been suggested, there are two general types of letters that are commonly sent to the sales force. One type is the letter of information and stimulation sent to the entire sales group. The other is the individual letter to the individual salesman in connection with that particular salesman's work. Both types need to be carefully constructed. If the force is small, it is sometimes possible to combine the two by using the main portion of the letter for general information and inspiration, and, at the end, a sentence or two of personal comment to an individual salesman.

The general letter of information and stimulation is particularly valuable. Even after salesmen have been through a stiff course of training, they need to have constantly called to their attention improved methods of selling the product line. It is hazardous to depend too much on short training courses that are packed with selling meat. Frequent reminders and jogs are necessary, if a universal use of proved selling technique is desired.

Moreover, care must be taken to pass along to the entire force every worth-while suggestion or selling idea sent in by individual salesmen. In fact, several

large concerns make a practice of sending out frequent general letters that are made up almost entirely of communications sent in to the house by the men themselves. These excerpts are quoted word for word as the salesman has sent them in, with a line or two of comment from the field sales manager. Thus the information and stimulation are based on experiences that are recognized as actual.

9. *Composition of the general letter.*—The general letters to the entire field force should avoid stiff formality. They should be informal, friendly, and personalized. The more the salesman can be approached on his own level with a sincere and enthusiastic presentation of information or inspiration, the greater will be the acceptance value of the letter's principal propositions. Nor do these statements mean that it is necessary to strive too hard to phrase the letter with "pep" and "ginger." It is necessary to interest the salesman, but pure interest material should not replace the selling truths that the letter must carry, nor should it hide them. Illustrated letterheads, cartoons, or attention stickers may be used as mechanical interest devices, but "pep" phraseology is dangerous because it rarely rings true and because it often beclouds and befogs a simple truth. A letter may be buoyant in tone without straining after punch and pep.

Frequently, the general letters present some phase of the selling problem that needs to be kept rather constantly in the minds of the salesmen. While the

treatment of these topics will not ordinarily be highly personalized, the conclusions will be positively handled. The following general letter from Pure Oil Company is typical:

Giving merchandise a price and then cutting it is a kidding game. The joke is not one on the customer but on the seller. And it brands the salesman as a false-alarm, a counterfeit, and marks him for failure as surely as death stalks the footsteps of man.

The price attack is the most effective weapon used by buyers on salesmen in every line the world over. Any salesman who cares a darn about his own standing, reputation, and success will strengthen himself against the price attack above all things. He will find more pride, more satisfaction, greater profit, more certainty of advancement in winning over the price attack than in any other element.

The man who wears the title of salesman and yields to the price objection—the price resistance of his prospect—is not fit. He has nothing to justify his job. If he cannot get the price at which his goods are marked, he should get out.

There is no failure in selling so ignominious, so discrediting, so blasting to the hopes and ambitions of a salesman, so sinister a brand of defeat, as caving in under the price attack.

If a salesman lacks backbone, if he lacks facts to justify his price, if he is without confidence in his line that will put him and his line over, why doesn't he find another stream for his drifting? Sooner or later he will be sunk and if he blocks navigation he'll be dammed.

10. *Personalized individual letters.*—The personal letter to an individual salesman must, of course, be handled with even greater care than the general letter to the entire force. It must be adapted to the char-

acteristics of the particular salesman to whom it is sent. The writer must know how the particular salesman reacts to criticism or praise and how the salesman is most effectively influenced, whether by reason or by suggestion.

A salesman who is in the "dumps" must not be discouraged when he needs encouragement. Nor must the conceited type be overpraised. Again, many good salesmen are high-strung, oversensitive, and temperamental. The sales manager who speaks his mind sarcastically to this type of salesman may kill off his enthusiasm and selling spirit. Kindly criticism, on the other hand, not too near the opening of the letter, may stimulate him to greater efforts.

11. *The personal letter to the recruit.*—The new salesman, in particular, needs individual letters of suggestion and encouragement. The difference between success and failure may often be found in the way in which a recruit or junior salesman gets started. If the salesman somewhere early in his trial period suddenly tastes the thrill of success, he will generally find that his ability seems strengthened and that his work has a genuine fascination.

As has already been suggested, it is dangerous to assume that the recruit or junior salesman is always able to remember everything that he has been told during the training period, or to digest and use all the bits of technique that are set forth in the sales manual. For these reasons, many field sales managers send frequent personal and individual letters

of advice to the new members of the force. In fact, if these letters mention mistakes of omission or commission, reminder-carbons are frequently kept and checked by the home or branch office to see whether the salesmen make similar mistakes after receiving the letters.

One such letter which was sent to a junior salesman during his first period of service is as follows:

There are so many points covered in your training, and there are so many little details in our business, that possibly you will now appreciate a letter covering broadly what we expect of you; not that you have any doubt that the big thing we expect you to do is to sell our product to best advantage; not that there is any doubt that you understand the importance of thoroughness in selling.

You have now a definite territory, and you are responsible for the building up of the greatest possible sales volume in that territory. You will not win the race for senior territory by short cuts or by confining yourself to the larger buyers, in an effort to prove that you can handle the biggest retailers and jobbers in the towns to which you have been assigned. To be sure, you must prove your capability in that direction. But you will perfect yourself in selling our products through making a large number of small sales—and you will find that by making a large number of small sales you will be better able to make the most of your bigger opportunities.

In the attached listing of your sales for the past two months, it is clear that you are passing up too many single-case buyers. In the week of February third, for example, you made only six sales—one a day. The fact that your sales for that week totaled over five hundred dollars, merely proves that you passed up *unnecessarily* many opportunities—for in towns that will average one buyer who will place

a sixty to seventy-five dollar order, we know there are from four to ten small buyers.

You did not sell a single general store that week. Remember that every general store should be located and visited. Each one is a potential buyer and you should bend every effort to land these possible sales, rather than hustling on to the next big town. Remember this, that if there are seven stores in a town which should handle our lines, and you sell six, but lose the biggest one, you are better off than if you sold the biggest one and passed up the rest. For the next time you hit that town the local demand will be for our lines because six out of seven stores carry them, and you will find that the "big fellow" is ready to buy, if, indeed, he has not sent in a mail order in the meantime.

Did you ever stop to think that it is the "small fellow" in your territory who is going to show the house the only profit it gets from your work? This is strictly true, because it will take all your sales to the "big fellows" to pay your salary and mine—your expenses and our overhead. Whenever you see a small dealer—and sell him—remember that you are making a real profit.

Some field sales managers believe that it is unwise to write to new salesmen to call their attention directly to a fault. This particular school of thought claims that it is more effective to impersonalize such letters by putting such criticisms in general letters that go to the entire force. The general letter takes the sting out of a personal message and avoids discouraging the student salesman.

Another practice that is sometimes used is that of sending carbon copies of individual letters to several salesmen to whom the personalized message might apply. A personal letter is written to some

salesman who does not need it, the original filed, and a carbon mailed to the man who does need it. Such a procedure seems somewhat questionable, but those sales managers who use it argue that it is effective.

12. *Letters to the veteran salesmen.*—Nor must the veteran salesman be neglected. The older men respond as quickly to approval and compliment as do the newcomers. In fact, if they have any pride in their work, occasional individualized compliments make them review their working methods and take new holds upon their territories. While they are often very sensitive to criticism, they need it just the same in order to avoid falling into routine methods based solely upon their own experience.

The types of salesmen that need individualized attention are easily recognized. There is, for example, the salesman who squanders time. Frequently, all he needs is a jog to the effect that he is dissipating his own working capital, namely, his canvassing time. Some simple system of planning the day's work can be outlined to him. There is also the discouraged salesman, the man who is in "the dumps." He needs a liberal dose of enthusiasm and a little sermon on the house to offset the complaints and wailings of prospects and customers.

Then there is the "know it all" type who must be led to some systematic attempt to improve his technique. Usually, he refuses to understand carefully phrased hints and suggestions and must be flattened out every so often with a straight-from-the-shoulder

jab that means business. Again, there is the indifferent salesman whose motto is, "I should worry; if you don't like the way I am working my territory, get someone else." This pestiferous individual also needs strong-arm methods, if he is to be saved before his indifference becomes so firmly rooted that he must be dismissed.

The list could be almost indefinitely expanded. There is the jumping-jack salesman who must zigzag all over his territory, the salesman with loose personal habits who thinks that the way to be a good fellow is to sit up all night tippling, the tricky salesman, the knocker, the man who talks too much, and so on. Each type calls for different treatment. No two salesmen are exactly alike and, in fact, no one salesman is the same two days in succession. Just what is the best way to handle each individual case is a problem that the field sales manager can solve only upon the basis of personal knowledge of the individual and his probable reactions.

REVIEW

Discuss the necessity for the systematic supervision of the field sales force.

What are the most important supervising methods? What should be the aim of any system of supervision?

How much time should the field sales manager spend in the market territory?

Discuss the importance of correspondence as a supervising device.

Compare the problem of corresponding with recruit salesmen with that of corresponding with veteran salesmen.

CHAPTER XII

THE SALESMAN'S REPORTS

1. *Need for systematic field reports.*—An effective and economical use of personal contact and correspondence in supervising the field sales force is seldom possible without some systematic provision for securing informative reports from the salesmen. While there are still a few sales managers who do not believe in reports and who claim that orders are the best reports, most modern managers realize the necessity of keeping in touch with field conditions and the work of the individual salesman. Unless the force is extremely small and unless each salesman reports to his supervisor personally at very frequent intervals, written reports are absolutely basic to any genuine supervision of the sales force.

An effective system of reports properly handled by salesmen and supervisors is the foundation for sales methods that will secure results far beyond the ability of any isolated salesman. It is not sufficient for the sales manager to pride himself on the fact that he has hired and trained good men and that he can safely trust them to produce a satisfactory volume of business without any aid from the home office.

Nor should the sales manager neglect a systematic use of field reports because of any mistaken notion that the salesman will rebel against reports. Most experienced salesmen have little respect for a manager who does not have the courage and initiative to call for reports, to compile and analyze data from them, and then to make their conclusions the foundations of policies. They like to think of the home office as wide awake, as full of aggressiveness and initiative, and as constantly trying to improve its methods. They realize that the information supplied by the salesman enables the home office to devise plans that will make the work of each individual salesman easier and more effective. Salesmen having this understanding will not minimize reports.

A system of reports is of value to the individual salesman entirely apart from the question of whether or not the reports ever find their way to headquarters. The salesman who must analyze his work day by day and week by week is certain to discern the value of bits of selling technique that result in sales. If he has to check back over every sale and every failure to sell, if he has to make periodic analyses of his list of customers and prospects, their stocks and their business methods, he unconsciously adjusts himself to productive methods, and sloughs off the non-productive.

2. *Principles of report construction.*—Two definite principles that should govern the establishment of any system of field reports grow out of the preceding

statement of advantages to the salesman. These principles are as follows:

(a) The required field reports should ask for no information that is not useful
(b) The required field reports should permit of a minimum amount of clerical labor on the part of the salesman

Undoubtedly, a tremendous amount of paper, time, and effort is wasted by salesmen every day in the year in making out useless and unused reports. If it takes a salesman two hours a day to act as a clerical reporter, that amounts to about two selling days out of the week devoted to writing about selling rather than doing it. What the salesman objects to is not the necessity for making out reports, but the certainty that a large part of the information sent in to the house is useless and will never be looked at, much less acted upon. The required reports should be constructed to get at the pertinent facts and the salesman's interpretation of the reasons that lie behind them. The information that is useful is information that explains and clarifies the problems with which the salesman and the sales manager are wrestling.

Reports should be designed to save the salesman clerical labor. Any sales manager who knows his men understands how they feel after sitting for weary hours humped up in hotel lobbies and accommodation trains, in order to make jumps at unearthly hours from one town to another, when suddenly they

remember that they must immediately write out and mail to the house a full account of the day's struggle, with a detailed statement of every success and failure and the reasons underlying them. It is but natural for the salesman to dislike complicated reports and to slight them whenever possible. Consequently, the simpler the report forms, the better will be his reaction. Compilations and computations should be avoided as far as possible. The salesman is too valuable a worker to perform tasks that can be just as effectively accomplished in the office by machines and by lower-paid office employees.

3. *The daily work report.*—The principal kinds of field report required of the salesmen are as follows:

(a) Work reports
(b) Expense reports
(c) Special purpose reports

A common practice is to call for daily work and expense reports and weekly summary reports of work and expense. Frequently, the record of work and of expense is combined into one daily and one weekly form. The special purpose reports vary all the way from a town report to a credit report on a particular prospect or customer.

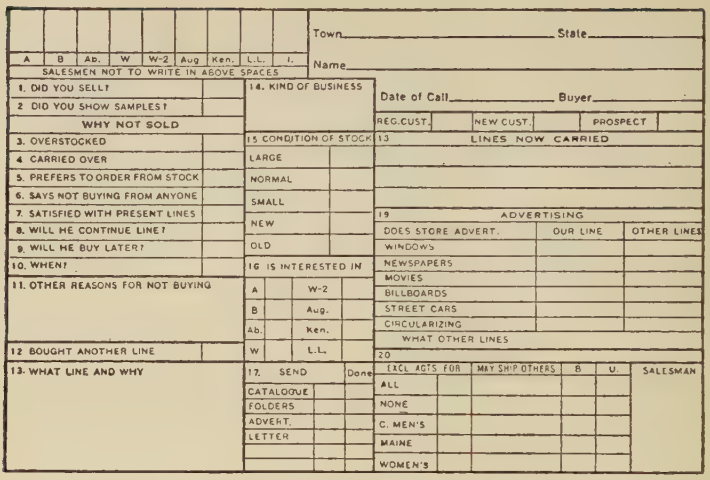
As a general rule, salesmen are required to make out and send in to the house daily work reports. These daily reports emphasize sales made and calls made. In most lines of business, there is a surprising regularity in the proportion of sales to calls. Con-

sequently, the daily record of the salesman's calls and sales furnishes some basis for judging the effectiveness of his presentations. This daily work report may, of course, call for much additional information. It may require a listing by name of all prospects and customers called upon and a separate listing of those called upon without success, together with the reasons for failure to secure orders. Moreover, it may include such points as:

(a) Condition of stock of each dealer called upon
(b) Advertising matter left with each dealer
(c) Advertising matter that the house should mail to each dealer
(d) When each dealer will be in the market
(e) Prices and terms offered
(f) Estimated amount of goods in "our" line
(g) What lines the dealers push especially
(h) Whether or not a dealer advertises
(i) What estimated percentage of a dealer's consumption is furnished by the particular house and what percentage by competitors
(j) Reasons why the competitors are preferred
(k) Names of dealers not called upon, with reasons

Commonly, however, much of this information may not be required in the one definite daily work report. Rather, it will be sought in special reports sent out to the salesman at intervals.

Occasionally, a special "Lost Sale Report" will be required of the salesman in addition to his regular daily work report. This specialized report provides more space for a detailed statement of the reasons



Front

OTHER CALLS IN ORDER OF DESIRABILITY AS CUSTOMERS

NAME	CARRIES	KIND OF STORE	INTERESTED IN	WHEN

IS CUSTOMER ON REVERSE SIDE SATISFIED WITH TREATMENT FROM HOUSE

REMARKS

Reverse

FIGURE 9—SALESMAN'S REPORT ON AN INDIVIDUAL CUSTOMER (FRONT AND REVERSE)

MAIL TO:—

SALESMAN'S DAILY REPORT OF CALLS

DATE _____ 19____

SALESMAN _____

1 - Hardware
2 - Department Store
House Furnishings
3 - Variety or 5 - 10
4 Notions
5 Stationers
6 Auto Accessory
7 All Others

A Illinois Net Price List
B Unpublished Quantity Price List
C Confidential Jobbers Price List
D Special Quotation
F Quote Specified Line
S Quantity Price any Quantity

J=Jobber
R=Retailer
M=Others

SOLD

Blister Away
Call Again
Poor Prospect
Sold New Account
Add Mail List
Remove Mail List
Stocks Full
Not Buying
Buys Competitor

Regular Customer — Division Checked

Prospect Only — Division Checked

Competition Kitchen - Ware
A Wickwire
B Hamblin & R
C Utility
D A and J
E Jobber
F Other Mfrs

Kitchen - Ware Counter
A Has Good Disp
B Has Poor Disp
C Interested
D Got New Disp
E Got Photo
F Send Disp. Letters

Kitchen - Ware Advertising
A Has Used Space
B Result Paid
C Did Not Pay
D Interested
E Promised Space
F When

Purchase Record
A Has Own Record
B Has No Record
C Interested
D Not Interested
E Will Try Plan
F Got Copy

Net Price - List
A Received
B Not Received
C Send

Mark X to Indicate Class of Dealer	J	R	M	1	2	3							1	2	3	1	2	3	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C
1 — 1 2 3 A B C / 4 5 6 D F S																																												
2 — 1 2 3 A B C / 4 5 6 D F S																																													
3 — 1 2 3 A B C / 4 5 6 D F S																																													
4 — 1 2 3 A B C / 4 5 6 D F S																																													
5 — 1 2 3 A B C / 4 5 6 D F S																																													
6 — 1 2 3 A B C / 4 5 6 D F S																																													
7 — 1 2 3 A B C / 4 5 6 D F S																																													
8 — 1 2 3 A B C / 4 5 6 D F S																																													
9 — 1 2 3 A B C / 4 5 6 D F S																																													
10 — 1 2 3 A B C / 4 5 6 D F S																																													
11 — 1 2 3 A B C / 4 5 6 D F S																																													

FIGURE 10—SALESMAN'S DAILY REPORT OF CALLS

for lost sales than may be possible on the regular work form.

The work report must differ for each type of business and cannot be standardized. Examples of the forms in general use for reporting on individual customers and on daily calls are shown in Fig. 9 and Fig. 10.

4. *The daily expense report.*—The daily expense report is also a common requirement in any use of systematic field reports. While some sales managers may hold that they need not concern themselves with what the salesman spends so long as he gets the business, unreported and unwatched expenses present a wasteful opportunity for leakage and extravagant field selling costs. Salesmen should seldom be allowed to get the impression that the house will stand for anything and everything in the way of expense. Detailed expense reports are necessary, except in those cases where the salesman pays his own expenses or where he is given a flat expense allowance. With the growing emphasis upon costs and cost accounting for sales, most sales managers are obliged to measure expenses against sales volume. They are getting away from watching volume alone—from the practice of patting the star on the back without any evaluation of the profit-making business he has secured.

5. *Need for definite expense policy.*—Definite decisions are necessary as to what expense items will be allowed by the house and what will be disallowed. No salesman should be permitted to work an assign-

ment list without a very clear understanding of his firm's expense policy. A great deal of ill will can be developed by sharply reproving a salesman for some reported expense, when he has put it into his account without any attempt to pad or to transgress the policy of the house.

Most concerns allow railroad fare, meals on the train, hotel expenses for room and meals, taxi or bus hire, baggage expense, and telephone and telegraph expense. How liberal an individual house will be on matters of hotel bills, Pullman expense, and the like will depend to a very large extent upon the type of product being sold and the type of prospect that is solicited. Many firms feel that, in order to be adequately and fittingly represented, they must be very liberal in these matters, that traveling and living to a high standard gives the salesman confidence, and provides a certain amount of confidence-building scenery that impresses the prospect and the customer. Other concerns will feel that their selling problems do not warrant any traveling luxury and will carefully limit maximum expenditures.

The salesman's incidental and entertainment expenses are the most usual trouble-makers. Generally speaking, it can be said that entertainment expense is far less a factor in selling today than it was ten years ago. Many firms have eliminated this item in its entirety. Certainly, except in a very few instances, it is no longer necessary to "buy business" by liberal entertainment. Any attempt to do it is

hardly deserving of any other name than that of commercial bribery. Nevertheless, it is undoubtedly true that some sales managers have gone too far in their attempts to eliminate this item of expense. It is entirely possible, for example, that a salesman may save time and effort for himself and his prospect, by taking the buyer to lunch and making a selling presentation during the lunch hour.

The whole theory and philosophy of the salesman's expense account can probably be expressed in the statement that the items charged to expense are not so important as the total. A salesman's cost of selling, compensation, and all expenses should not exceed a certain percentage of his net sales. This percentage figure is the dead-line above which expenses must not be allowed to mount. Just what items are house items and personal items will vary with the policies of different concerns.

6. *Examples of expense policies.*—For the sake of concreteness, it may be advisable to describe briefly the practice of two representative companies. The first of these firms uses a weekly rather than a daily expense report. This form has horizontal sections for each day of the week, three lines for each day, and vertical columns for the name of town, hotel, railroad fare, Pullman fare, hotel and diner, carfare and taxi, telegraph-telephone, postage, tips, miscellaneous (itemized), and, when driving a car, miles driven and the amount spent at seven cents a mile.

The salesmen are instructed to the effect that when

they are in a "headquarters" city, they are allowed to charge lunch and street-car fare. When outside of a "headquarters" city, they are allowed to charge those expenses listed on the report form, as well as "excess laundry," above what it would cost at home; proper tips; and under certain unusual circumstances, entertainment. Such daily items as shaves, cigars, sodas, etc., are strictly personal. Hotel and other expenses are not to be at a flat rate, but the actual amount expended each day.

A bulletin to the salesman that accompanies his expense report forms reads as follows:

> Every salesman is in business for himself. Travel expenses are his cost of doing business. Salary and commission are his profits. It is the law of all business that when costs tend downward, profits tend upward.
>
> Salesmen who cultivate a habit of careful buying—of hotel rooms, meals, transportation, etc.—are building profits for themselves. This is true no matter what line or under what plan of compensation a man is selling. His expenses are charged against his sales volume exactly as are his salary and commission. The man who is loose with "tips" or "entertainment" is losing money that he is working hard to earn.

The second statement of actual practice represents the policy of the Bussmann Manufacturing Company of St. Louis. It is reproduced here in the words of the president, H. T. Bussmann, as explained in an article in *Printers' Ink*:

> Railroad fare and hotel bills are not charged to the salesman. We pay these and of course carefully check up

each man's expense bill to make sure that the charges are reasonable. All other items, such as cost of entertainment, carfare, automobile hire, and so on, are paid by the salesman. These are absolutely his own expenses which he pays out of his own money and for which he does not account to us at all. Thus we do not find it necessary to control them, with the net result that a considerable amount of valuable time that otherwise would be devoted to clerical labor is saved to us.

Railroad fare is easy to check and hotel rooms are difficult. The rate per mile is standard and the mileage as set down by the salesman in his expense account can be determined from the railroad guide. Where a jump is made by automobile, the salesman is allowed to include under the item of company expense (which is not charged against him) the exact amount that the railroad fare would have been had he made the jump by train. We find that this extra allowance just about covers the added cost of automobile mileage. But even if it did not, the use of the car usually can be expected to conserve the salesman's time in a way to bring about more business. And the salesman gets compensation at the end of the year for such extra business.

On account of the complications attached to checking hotel costs, we have adopted a standard hotel allowance applying to all salesmen. . . . What it amounts to is that the salesman is allowed a certain maximum amount per day for his hotel expenses. It compels the man who likes to spend money lavishly on hotels to cut down on his expenditures or pay the extra money out of his own pocket. . . . It was based on a study of one year's expense accounts of all our men.

The study we made caused us to adopt three different scales of hotel allowances, depending on the size of the city in which the salesman works. The company pays for the salesman's breakfast and dinner. He buys his own lunch, the same as if he were working at headquarters. There are three different scales for this, the amount that

the salesman is permitted to spend varying with the size of the city. In the larger cities the top scale prevails. The amount is generous indeed but not lavish.

The salesman may also pay a certain maximum amount for lodging in accordance with the size of the town in which he is working. This figure was arrived at by obtaining the average room rate and adding fifty cents per day to cover items such as tips and laundry. Where a Pullman car is used, the full sleeper rate is allowed, plus fifty cents more for tips and incidentals.

Sometimes, of course, the salesman's charge for lodging is higher than the allowance. But at other times it is lower. The average works out well within the figure we set. In checking up the hotel expense account, all we need do is to note the size of the city where the salesman spends the day or night and the correctness of the charges is thus readily ascertained.

7. *Receipt and voucher requirements.*—Some companies go even farther than the practices described in the foregoing accounts of expense policy. There are concerns that require each salesman to submit to the house with his expense report, a detailed display of vouchers and receipts to cover, among other items, such matters as expenditures for Pullman accommodations and expenditures for hotel rooms, and laundry and telephone calls and telegrams. Theoretically, such a policy should operate in the direction of close control, but, in practice, it often becomes a source of bitterness and useless nagging of the field force.

One instance illustrates the complicating possibilities of such a policy. A certain manufacturing firm checked up the receipts of one of its field salesmen

and dispatched to him the following note through the accounting department:

> Enclosed is your expense check for the week ending so and so. You will note that the check is less by the amount of $1 than the total shown on your expense account. This deduction is due to the fact that you did not include among vouchers submitted a receipt for two typewriter ribbons purchased for your portable machine. If you will send us the receipt, we shall be glad to add this amount to your next expense check.

The salesman promptly showed up the absurdity of the situation in an immediate letter to the house, reading as follows:

> Your letter concerning the deduction of $1 from my expense check for the week ending so and so has been forwarded to me here. I regret having put you to the inconvenience of writing me. Unfortunately, I neglected to retain the sales check for the two typewriter ribbons I bought in Chicago. If you feel that you need the receipt for your records, I believe the store would give me a duplicate; and if the Home Office says so, I'll go back and get it. However, the trip will involve two nights of traveling and a day of my time; for, as you will note, I'm now in Omaha.

Needless to say, the matter was dropped by the home office and the salesman was sent his dollar.

8. *The administration of expense accounts.*—It is customary in the larger business enterprises to place the supervision and administration of the expense accounts in the hands of one person who has the final authority on all disputed questions, who sees to it that the salesman receives his expense money, and

who calls the salesman's attention to discrepancies. Such a supervisor should work out the technique of letters of credit, traveler's checks or drafts, mileage books, etc. He should remember that the salesman hates nagging. It is a poor policy to "call" a man every so often merely to let him know that his expense account is being watched. The same effect can be secured by an occasional letter that congratulates him on an economical trip. In addition, graphic charts that show the comparative expense distribution of a number of individual salesmen may be sent to a part or all of the force to indicate individual expense standings.

Finally, it should be said in connection with this discussion of daily expense reports that the daily work and daily expense reports are quite frequently combined in one form. The difficulties that are often experienced in getting salesmen to send in their daily work reports promptly and regularly can often be overcome by attaching the daily expense report. No salesman ever forgets to turn in his expense account; and so, when the two forms are combined, there is little reasonable excuse for neglecting the work reports.

9. *Weekly summary reports.*—A weekly work and expense report may also be required in addition to the daily reports. In most instances, this is nothing but a summary report that makes the salesman sit down for a time and survey the results of the week. Generally, these summary reports provide spaces in

which the salesman can total his sales for the week, his expense, salary, total salary and expenses, and percentage of total expenses to sales. Moreover, they usually require the salesman to inform the house of his plans for the coming week. If the supervising home or branch office does not route the individual salesman, the weekly summary report will usually include a "route sheet" which the salesman must fill in so that he can easily be located by letter or wire. An illustration of a weekly expense report is given in Fig. 11. A special form for reporting automobile expenses is shown in Fig. 12.

10. *Special-purpose reports.*—The special-purpose reports are required at irregular intervals. Their number and kind are legion and no attempt can successfully enumerate them all. However, the more common special-purpose reports are probably as follows:

(a) The town report
(b) The demonstration report
(c) The credit or collection report
(d) The complaint and adjustment report
(e) The advertising or window display report
(f) The dealer-merchandising report

These important reports will be combined and varied according to the particular needs of the individual business.

The town report is often used and required of salesmen, when they visit a town for the first time to open up a new assignment. It is often of advantage

EXPENSES FOR PERIOD FROM _____ TO _____ 192___

MAKE SEPARATE EXPENSE ACCOUNT FOR EXPENSES INCURRED IN EACH MONTH

BALANCE FROM LAST REPORT	$
RECEIVED SINCE	$
TOTAL	$
EXPENSES	$
BALANCE	$

Day of Month	Breakfast	Dinner	Supper	Lodging Sleeper	Street Car Fare	AT	R. R. Fare	FROM	TO	SUNDRIES For	SUNDRIES Amount	TOTAL
TOTAL												

EXPLAIN BELOW ANY OUT OF THE ORDINARY EXPENSES.

Auto Expense (Per Total on Form 94)

TOTAL AMOUNT TO BE REIMBURSED

I hereby certify that the above expenses were necessary, and that they were incurred in the interest of the Company

NAME _____

TERRITORY CODE _____

Computations O. K.	Paid by Check No.	Approved:

FIGURE 11—SALESMAN'S WEEKLY EXPENSE REPORT

MOTOR No._____

AUTOMOBILE EXPENSES FOR PERIOD FROM_____TO_____193___ _____Sales Office

MAKE SEPARATE EXPENSE ACCOUNT FOR EXPENSES INCURRED IN EACH MONTH

DATE	GARAGE RENT	GASOLINE GALS.	GASOLINE AMOUNT	OIL	TIRES TUBES	REPAIRS	MISCL. EXPENSE	TOTAL	FOR EXPLANATION OF REPAIRS AND MISCELLANEOUS EXPENSE
Totals									

SPEDOMETER READING_____MILES_____193___

COMPUTATIONS O. K.	PAID BY CHECK No	APPROVED

I hereby certify that the above expenses were necessary, and that they were incurred in the interest of the

NAME _____

TERRITORY CODE _____

FIGURE 12—SALESMAN'S AUTOMOBILE EXPENSE REPORT

to the house to know the population of the town, its nature, and the character of the surrounding country —whether agricultural or industrial; whether dealers occupy stores, offices, or warehouses; whether they are located on corners, main or side streets; the appearance (good, average, or indifferent) of each dealer's place of business; the character of the management (aggressive and up-to-date or conservative); whether or not the town has possibilities of large or small sales of the house's product line; name of buyer for every dealer; each dealer's local reputation for prompt payment; and so on.

The demonstration report may be a specialized check-up and record of demonstrations that are being carried on by dealers in special windows or at special counters, or it may be a check-up and report on sampling campaigns. The credit or collection report usually represents an attempt on the part of the credit department to get first-hand information from the field to supplement the data in its rating books, or to discover by means of a personal visit, if necessary, just why a customer is dilatory in settling his bill.

Claims and adjustments, too, are often made the subject of special reports from the field. Such matters as freight shortage and damage may necessitate face-to-face visits with the customer in order to secure full and detailed information that will make possible an equitable adjustment. The advertising and window-display reports may record the distribution

of such materials by the salesman, the need for the house to send such sales help to particular dealers, and information with respect to the way in which the dealer is using these sales aids. The merchandising-dealer report is usually an elaborate form that requires the salesman to make a detailed study and evaluation of a single dealer's activities. Frequently, this report will request information on competitive products so that some hint of the competitive status of the line may be secured.

11. *Getting reports returned on time.*—It is always advisable to give some attention and thought to the matter of getting reports in to the supervising office on time. This question is often very perplexing, if it is allowed to drift along without any definite attack upon it. Some houses solve it in the case of daily reports by refusing to pay salesmen for days not covered by reports. Others make the return of reports a factor in awarding contest prizes, bonuses, or points. The Taylor Instrument Company keeps a sheet on which is listed each salesman's name, followed by thirty-one squares. Each square represents one day. When a salesman sends in his report for a certain day, the corresponding square is checked. When he misses a day, a post card reminder is sent immediately to him. If the post card does not produce the missing report, a personal letter from the field sales manager makes the request in a firmer tone.

One company that ties in the making of prompt

reports with its compensation system describes its practice as follows:

Realizing the difficulty which might result in not having the salesman report promptly, we stipulate that the envelop bearing the daily reports must bear the post-mark date of not more than 24 hours after the date of the several reports enclosed. In cases where delays are encountered, we do not credit any portion of the report card. By handling the matter in this manner, we have eliminated, to a very large degree, delayed reports from our salesmen.

When the daily report is received, we indicate the date of mailing and the number of reports enclosed on the back of each report. This serves as a check in the office so as to account for any reports which might be mislaid during the process of recording the information submitted. In this connection, we use a map and tack system, having a different colored tack for each month of the year. This enables us to tell at a glance the number of times our salesmen make a town, and gives us a check on the way a territory is being covered.

REVIEW

Analyze and discuss the attitude of the individual salesman toward systematic field reports.

Design a simple daily work and expense report.

Discuss the salesman's incidental and entertainment expenses from the point of view of one particular type of business concern.

In what report will the salesman's "Route List" usually be found? Why?

Suggest the make-up of two special purpose reports not mentioned in this chapter.

CHAPTER XIII

PAYING THE SALES FORCE

1. *Compensation and salesman-turnover.*—The point of attack against excessive salesman-turnover, this text has pointed out, is proper selection of the selling force. The second step in combating wasteful turnover is the correct training of salesmen. However, the most carefully selected and best trained sales force in the world must be rightly paid or the efforts to combat turnover by selection and training will go for naught. Hence, the equitable and profitable compensation of salesmen may rightly be considered a powerful instrument at the service of the manager who is bent on reducing salesman-turnover.

In attempting to solve the problem of compensation, the sales manager is not so often faced with the question of what or how much to pay his salesmen as with the question of how or by what method he shall pay them. Predetermined estimates usually dictate what percentage of the price of an article can be allotted to total sales costs. The sales manager's job is to choose and put into practice a method which will insure the greatest possible efficiency individually and collectively of his sales force. What

plan of compensation shall he adopt? Several factors determine his decision.

He must ascertain, in the first place, whether the plan he selects will insure to his salesmen a compensation adequate to maintain the necessary standard of living. What the standard will be, will depend on the type of salesmen employed. It is to be remembered, however, that while a man may let himself be employed for less compensation than his standard of living demands, he will not long be satisfied or efficient in the position thus secured. It is to be remembered, too, that salesmen are not usually pensioned when they retire; they must, therefore, have sufficient income to meet current expenses plus a margin for saving against old age or disability. That the amount of compensation is, of course, important as a part of this consideration, none will deny, but the plan by which a salesman is paid is also important.

The sales manager must ascertain, in the second place, whether or not a proposed plan of compensation will call forth the salesman's best efforts. There are salesmen who work best with an assured income; there are others whose efficiency is highest when the gamble is largely their own. Thirdly, the sales manager must make sure that his plan gives the selling force compensation which will compare favorably with that received by other members of equal importance in the organization or in similar organizations. Finally, the sales manager must, if possible,

select a plan which can be administered easily and without confusion.

2. *The straight commission.*—Among the most popular plans in use is that of the straight commission, under which the salesman receives a definite percentage of the sales he makes. With a great many successful salesmen, the plan is extremely popular. In favor of it, the argument is advanced, irrefutable in the minds of many, that under the straight-commission plan a salesman gets what he actually earns. He takes the gamble, of course, but the tried and successful salesman usually believes with the late Walter Hines Page that "the man who is afraid to gamble on himself is not worth a damn."

The foregoing argument has certain ramifications. Under the straight-commission plan many contend that the producer does not have to pay for the nonproducer on the force, as would be the case under a straight-salary plan. From the salesman's point of view, too, the straight-commission plan makes the salesman virtually his own boss; he can work if he wants to, and if he so desires he can take a day off. To those who argue that salesmen will take advantage of this freedom, the old hand will reply that if he does he will be cutting off his nose to spite his face. The fact does remain that, for the man who has unusual initiative, who plans his work well, who knows how to be both boss and salesman, and who has intelligent and consistent supervision, the straight-commission plan of compensation offers many advantages.

Obviously, not every man measures up to the foregoing qualifications, and hence not all are satisfied under the straight-commission plan. Not infrequently sales managers receive resignations sent in because straight-commission salesmen find or think they find that they must be guaranteed a steady income. One insurance salesman sent such a resignation to his manager. The manager thought it was to the company's and to the salesman's own good for him to stay on the job. He, therefore, made him a proposition, involving a half-dozen specific suggestions about working eight hours a day, working on a definite schedule, not pursuing hopeless prospects too long, and emphasizing new solicitations. After only three weeks, the salesman decided to retain his straight-commission job.

3. *Disadvantages of straight-commission plan.*— Time and again, however, one hears of the disadvantages of the straight-commission plan. These are voiced by both sales managers and salesmen, and they have been heard increasingly in recent years. The sales managers contend that the straight-selling commission plan gives them only a loose control over the selling force. The manager employing salesmen compensated by this plan is unable to get his salesmen to do enough work and is further unable to get them to do the kind of work he wants done.

It is only fair to say that many enterprising sales managers have found means of overcoming this disadvantage. The crux of the method is usually found

in giving to the members of the sales force more specific and definite suggestions as to how they can get more orders and do a better selling job in general. One sales manager sent the following telegram to his force:

> Will you follow my suggestions carefully for one month, if I can show you how to make more money in June than you have made during any previous month during the year? Have plans ready to mail if you will promise your coöperation. Wire answer.

All but a few of the salesmen replied. The plan was comparatively simple, consisting of five typewritten pages of ordinary selling suggestions, and June turned out to be a record-breaking month.

Another disadvantage frequently cited against the straight-commission plan is that it is bad for the salesman in hard times. Salesmen, like almost everyone else, are to a more or less degree dependent upon steady income. When a business depression comes and orders are not received, with no commissions forthcoming, the individual salesman begins to grow dissatisfied and to think of the advantages of salaried jobs. The obvious remedy, of course, is for the salesman to read "Poor Richard's Almanac" during good times and lay something aside for a rainy day.

The Germanow-Simon Machine Company of Rochester, New York, has hit upon a more practicable plan. The company sells crystals to jewelers. When times are slack, the company raises its commission. Strange as it may seem, the plan has

worked, and worked so successfully that the salesman turnover for this company has been reduced virtually to zero—even when commissions are cut down as business becomes normal.

A third and somewhat double-barreled complaint against the straight-commission plan is that it encourages salesmen to take only the cream of the market and sell only the prospects who will buy readily and in large orders, or to sell only those items in the line which go quickly and easily. Of course this practice is not sound in the long-pull program of the company.

Finally, and probably most important, sales managers condemn the straight-commission plan because it tends to make salesmen emphasize volume over and above everything else. Why, the salesman argues, should he spend time in decorating the windows, helping dealers move their stocks, or in cultivating general and not immediately profitable goodwill, when he gets his commission on making sales? This disadvantage in itself has caused many a sales manager to substitute for straight commissions some other plan of compensation.

4. *The sliding-commission plan.*—A frequently adopted plan is the sliding-commission scale, whereby the rate of commission automatically increases as certain predetermined sales quotas are reached. The obvious advantage over the straight-commission plan is the greater incentive for hard work and volume offered to the salesman.

A modification is the group-commission plan, under which the merchandise in the line is divided into groups, each paying a different commission. The plan takes into allowance the fact that the company usually makes a different margin of profits on different products in its line. Thus a manufacturer of toilet goods may make a larger profit on talcum powder than on perfumes; the rate of commission will vary accordingly. The group-commission plan tends to discourage the salesman from overselling and from pushing too hard certain attractive items to the detriment of other articles in the line.

5. *The straight-salary plan.*—Those who uncompromisingly oppose the commission plan of compensation for salesmen usually adopt straight-salary payments, a plan used today by probably at least half of the concerns engaged in selling. Straight salary as a method of compensation has certain definite advantages. On the face of it, it seems to involve the utmost simplicity in administration. Each week or each month, the salesman receives his determined salary; there is little bookkeeping to it. For the firm, the plan allows close calculation on a sales budget at the beginning of the year.

The sales manager often favors it for other reasons. It gives him a closer control over the men in the field, and, if they do not do the work required of them, he may discharge them. A supplemental advantage is that it insures the performance by the salesman of other tasks besides the mere securing of

orders, such as aiding dealers, arranging window displays, promotional work, carrying out a continuous and consistent program of building goodwill—in short, acting as a real ambassador and missionary for the house.

The salesman who prefers the straight-salary plan of compensation usually points out that he is sure of a steady income, that his living and his work do not become mere hit-and-miss propositions, that he has that feeling of security and peace of mind necessary to the doing of his best work. And, with men of certain temperaments, this argument is unanswerable.

6. *Disadvantages of straight-salary plan.*—The argument against the straight-salary plan of compensation, however, cannot be dismissed hastily. Many salesmen and sales managers insist that it destroys initiative. The salesman knows he is under contract, that he will get his salary week by week, regardless of whether he puts forth his best efforts. The individual salesman paid by this method may do just enough to justify his salary and a slight increase year by year. He is no longer a pioneer—something many a salesman believes himself to be.

Although the straight-salary plan is supposedly easy to administer, there are many sales managers who insist that the contrary is true. These point out that, if a good salesman's work falls off early in the year or if a mediocre salesman picks up and "comes out of the woods," there is no means of taking

care of these variations until the time for salary changes. In particular, the man who is constantly bettering his performance as the year goes on may become discouraged and impatient waiting for what he feels to be his just reward. Usually, too, the salesmen's salaries are fixed on the basis of the former year's performance. This may not be equitable.

It remains to be said that the use of the straight-salary plan requires a sales manager with unusually good judgment in the selection of men. He must have sufficient foresight approximately to gauge the performance not only of the men he hires, but also the next year's performance of each man on his force.

7. *The salary and commission plan.*—Because the straight salary and the commission plans both have their disadvantages, many sales executives have sought to capitalize the situation by adopting combination plans. Needless to say, a combination of two opposite plans rarely results in an accumulation of advantages or a counteraction of disadvantages. The most simple of these combination plans is that of the straight salary and commission. Usually, the salesman draws a regular salary which is ultimately charged against his commissions, but, of course, he benefits additionally by the commissions in excess of his salary. The salesman is assured of a regular income. Simultaneously, he is sure of getting whatever he earns. This plan is favored in times when selling is difficult.

Another variation in combination plans is that of salary, expense, and commission. Under this plan the salesman's salary and the sum he spends for expenses are deducted from commissions, fixed at a certain rate. Again, if he sells sufficiently, so that there is an excess, it is paid to him. Still another variation is that of salary and commission on sales over a fixed quota. A reasonable quota is fixed for each salesman. For reaching this quota or attempting to reach it, he is paid a specified salary. But, if by particular industry and ability he exceeds his quota, he is paid a certain commission on the excess sales.

8. *Salary, commission, and bonus.*—Another plan in comparatively wide use is that of salary, commission, and bonus. Under this plan the bonus is given for certain excellent or superior services; hence there are many forms of bonus. Except for the bonus, the plan operates in the same way as the salary and commission plans. Often a bonus is given on special accomplishments, such as pushing packaged goods, on which there may be greater profits than on bulk goods. A bonus of this type is often used instead of the group-commission plan.

A related form of bonus is that on net profits. Certain types of goods or goods sold in certain territories may yield higher comparative profits. For example, selling goods in the city where the company is located may yield a higher profit because of low delivery charges. Goods sold in suburbs may

be in a different class, while those sold in rural districts may be in still a third class.

On the other hand, the ease of selling may vary inversely. D. G. Baird records that Edwards and Chamberlain, hardware jobbers of Kalamazoo, Michigan, found it advisable to make an adjustment on the basis of the difficulty involved in selling different territories. The salesman selling in Kalamazoo receives 37½ per cent, and the other salesmen 33⅓ per cent and 35 per cent. Furthermore, Edwards and Chamberlain salesmen get their commissions on net profits made on sales after deducting 5 per cent for handling and transportation of merchandise. Salesmen bear all their own expenses. The same percentage is charged against the salesman for returned goods and bad debts. They furthermore agree to sell such a diversified line and at such prices as will permit an average margin of 18 per cent on sales after deducting 5 per cent for transportation and handling charges. The plan has already proved successful.

Unfavorable testimony comes from C. C. Chase, vice-president of the Chase Candy Company, who reports that the plan of basing commissions on profits did not work out successfully for his company's line. Variable prices on raw materials accompanied by active competition, the ease of moving items with high manufacturing costs, inability to change the attention of old salesmen from sales to profit, lower lists in certain territories than others, variable han-

dling charges for different territories, the impossibility of a man's remembering both the cost and the price of each item—these were some of the reasons for the abandoning of the plan by the Chase Company. Mr. Chase adds, however, that the company will continue to give the men both cost and price sheets in order that they may have a fair idea of the varying profits on different items.

9. *Special bonus possibilities.*—A third variation of the plan is the giving of a bonus on total sales, which in reality is the same as the sliding commission plan. Another is the bonus on quota excess, which is another method for rewarding unusual effort and ability. Still another modification of the plan is the giving of a bonus on low sales costs, which is supposed to act as an incentive for the salesman to cut down his expense account.

A rather peculiar modification of the salary, commission, and bonus plan is the giving of a bonus on increased efficiency. This modification requires a great deal of effort on the part of the sales manager. It is designed to act as an aid in helping particular men overcome their particular weaknesses. Hence it is highly individual, difficult to set up, and not easy to administer.

A commonly used variation is the giving of a bonus on promotional work. It is paid to the salesman for dressing windows, otherwise aiding dealers to sell hard prospects, opening up new dealers, and the like. It is a means of encouraging salesmen to do those

tasks that will benefit them and the company ultimately rather than immediately—another effort to keep salesmen from overconcentrating on volume.

A final variant of the plan is giving a bonus to branch offices on total sales over quota; which, in turn, is prorated among the salesmen. This modification, of course, promotes coöperative work in the branch office. Star salesmen will often help newcomers in order that the branch may exceed its quota, for unless it does, nobody will benefit.

10. *Bonus and task plans.*—Companies who have emphasized a broad view of selling, who wish to develop a salesman's efficiency in other tasks than that of making a sale, and who encourage their salesmen to be promoters as well as ordertakers, have found it profitable to adopt task and bonus systems of compensation, thus insuring that the salesman will be compensated for superior performance in every department of his work.

The task and bonus system is based upon the plan of scientific management evolved by Frederick W. Taylor, setting a task for each man and paying him for all and everything he does. Many have testified that it is the most scientific of any plan of compensation yet known or applied. A description of the plan as operated by a nationally-known company has been given in *Sales Management* by Charles W. Hoyt:

> The system involves the checking of a day's work of the salesman at irregular periods, the checking to be done

within one or two days, preferably the next day after the salesman made the calls. A salesman may have his work for two consecutive days checked, or one day's work in a week, or in a month. This checking is not done primarily or principally to catch dishonest reports—tendency to false reports or fake calls has not developed—but rather to check the quality of work a salesman is doing, to locate the weaknesses in his canvass and to make a better salesman of him, a more thorough and intelligent worker.

The salesman makes a report, every day, of his complete day's work, every call, every demonstration. When his report is finished he himself has written the amount of his salary or task money for that day. Salesmen who have a suboffice or small headquarters where stock is carried are paid a per diem amount for the time necessary to devote to caring for stock, making reports, etc.

In addition to his "task," the salesman is paid a bonus (or commission) on *all* of his sales. The bonus is fixed on a basis arrived at by the profit the company makes on the sale. Thus the salesman makes more bonus on a high-revenue sale than he does on a low-revenue sale. When a salesman's earnings from "task" bear a higher relation to his bonus earnings than the average, that becomes an S.O.S. for an inspector, whose business it is to check that salesman's work until he has located the weaknesses in the salesman's canvass or methods, and the salesman is then the subject of education and training until he is brought up to an acceptable standard, or dropped as unsuccessful.

The salesman has a drawing account, which is charged to him. His task-and-bonus is credited at the end of the month and he is paid the amount that the task-and-bonus exceeds his drawing account. If his task-and-bonus does not clear his drawing account, the debit balance remains and he cannot be paid anything in addition to his drawing account. As soon as his drawing account begins to accumulate over and above his task-and-bonus earnings, it shows up immediately in the home office accounting department and automatically comes to the attention of the district

sales manager and the branch office manager, when the drawing account is adjusted to his task-and-bonus earnings.

This is an entirely different matter, more easily and more satisfactorily done than the adjusting of any salary arrangement downward, because it is a logical thing to do, it being simply an advance against his task-and-bonus earnings. If a salesman cannot be brought up to earn a satisfactory income—satisfactory to himself as to the amount of money he gets and satisfactory to the company as to the amount of business secured from that salesman's territory—the engagement terminates.

Most salesmen working under this system have a drawing account, but it is reduced by the amount paid for the performance of certain tasks, as well as by the bonus.

11. *The point-system plan.*—A closely related plan of compensating salesmen is the point system, under which every action of the salesman, or every part of the work that he does, is rated according to a definite predetermined unit of value, the point. Thus one large concern rates the usual sales operations as follows:

For each call, five points
For each retail order taken, fifteen points
For each unit of merchandise sold to retailers, one point

Under this system, compensation is, of course, paid by points. Although no estimate of what a point is worth to the salesman can be scientifically exact, any company may make a fairly close calculation. Suppose a concern has a sales quota of a million dollars.

Past records, if they have been accurately kept, will show about how many orders are necessary to make up the quota, and how many calls, items of dealer help, etc., are necessary to get an order. Each of these operations, then, can be credited with a certain number of points. If the number of points is divided into the estimated selling cost, say $250,000 on a million dollars of sales, the money value of a point to the salesman should be the result.

The number of operations necessary to get a sale and for which points should be given may, in many businesses, be multiplied a number of times. There may be points for giving demonstrations, checking previous installations, writing reports, helping the credit department in investigations, sending suggestions to the factory, trimming windows, putting on special selling stunts for retailers, meeting consumers, writing dealers' advertisements, and the like. Keeping down this list naturally tends to make the administration of the system more simple.

The variations possible under the point system depend on the number of purposes for which it is used. Roland Cole has pointed out in *Printers' Ink* that the point system may be used in one or all of three different ways:

(a) For evaluating a salesman's time
(b) For guiding the operations of the salesman as regards products or kinds of prospects
(c) For regulating the number of calls made by the salesman

Additional points may be given for orders on products that are difficult to sell; for getting a new customer, or for selling items yielding larger net profits. Likewise, a salesman may be penalized by having a certain number of points debited, as for misrepresenting facts, complaints from customers, selling bad credit risks, losing customers, and the like.

12. *The rating plan.*—Another compensation method is the rating plan. This usually aims to pay a salesman a bonus, if he can overcome those weaknesses which stand in the way of his becoming a more efficient producer. A number of companies using this plan, rate every man each month. One company used the following bases for grading:

Integrity, as indicated by letters of complaint
Aggressiveness, as shown by new accounts opened, etc.
Industry, as shown by number of calls made
Economy, as indicated by expense account
Salesmanship, as determined by large profits sales

The plan may be highly individualized, if the sales manager wishes to concentrate upon the special weaknesses of particular men; this will entail paying the bonus on the basis of the man's accomplishments in overcoming his own defects.

Some companies prefer to set up an ideal list of sales qualifications and give a bonus to the men who most nearly measure up to all items on the list. Peckham-Foreman, Inc., recently tried the plan of

giving three cash prizes of $1,000, $350, and $150, respectively, to salesmen who most nearly measured up to the qualifications listed by the company. The following points were taken into consideration in making the judges' decisions: sales, with general conditions affecting the buying power of each territory; coöperation with sales departments, whether the salesman obeyed orders, followed the firm policies, and used good judgment; coverage of territory; new accounts; coöperation with the credit department—whether the salesman secured the necessary information or sold according to the customer's credit rating; coöperation with advertising, by making full use of the company's advertising, tying it up with window displays, selling value of the advertising to dealers; general reaction from the trade—whether the salesman got along well with his customers, misrepresented, had bad returns, etc.

Peckham-Foreman was well satisfied with the way the plan worked out. Proof that overemphasis was not placed on sales volume in awarding the prizes is shown by the fact that the man who got second prize actually had in his territory a decrease in sales over the previous year, it so happening that Florida was in his territory and that he had sold with an eye on the customers who would be solvent after the real estate bubble burst.

13. *Miscellaneous compensation plans.*—A number of miscellaneous compensation plans are in use. A sales and service quota plan takes account of the

proper relationship between the number of tasks to be performed and the total calls to be made. Another plan is salary and percentage of saving. The salesman is given not only a quota but an expense budget. He may increase his earnings either by making additional sales at the same expense, or by making the volume of sales called for in his quota at less expense, or by both methods.

The Crouse-Hinds Company believes in regarding its sales force as a business unit and not merely as a group of individuals. A quota is not set for the individual salesman, but for each class of products on which a minimum and a maximum are established. The amount of bonus is then established for the entire line and a portion of this is allotted to each class of products. When the bonus is given, it is prorated on a double basis on the salesman's salary and on the number of years he has been with the company.

An unusual sales-compensation plan has been evolved by the Weatherbest Stained Shingle Company, Inc. Salesmen are paid a certain commission when the order is taken from the dealer, usually a lumber dealer, and an added commission is paid when the dealer actually delivers the goods to consumers, usually contractors or builders. Thus the making of the resale is part of the compensation plan and encourages the salesman to help dealers push Weatherbest products.

A difficult problem often arises in devising a plan of compensation for salesmen who sell to customers,

ordinarily ultimate consumers, who pay on an installment basis. The General Motors Acceptance Corporation operates under a system whereby salesmen of General Motors cars receive the entire commission on a particular sale and the Acceptance Corporation accepts the customer as a good risk. If the sale involves a trade-in, however, the salesman gets his commission only on the cash involved in the deal. Other companies faced with the problem of accepting trade-ins on a sale, use various methods of encouraging the salesman to make the most profitable deal possible, and also encourage him to sell the used car or other second-hand product taken in on the trade.

REVIEW

What are the most important factors in setting up an equitable plan for paying the sales force?

Compare the straight-commission plan with the straight-salary plan.

Discuss in detail the task and bonus system of compensation.

Which one of the plans described in this chapter is in your opinion the most scientific method of paying salesmen?

CHAPTER XIV

SALES CONVENTIONS

1. *Growth of the sales-convention idea.*—Well within the memory of most mature men is the time when small-scale industry predominated and the salesman was able to keep in constant touch with the house. He knew, personally, not only his sales manager but the owner and president of the company. He felt himself to be a definite part of the organization. But business units grew larger. Branch offices were established; salesmen might never see the home office or the factory. The bond between the men on the road and the house he represented lessened in strength. A great degree of personal contact was lost. To renew it was necessary; hence there arose the modern institution of the sales convention.

The sales convention is, however, an institution which is still in the experimental stage. It is a different thing from a sales conference. The sales conference, meeting at the branch or the main office daily, or once or twice a week, is a necessary get-together to decide current questions, to give opportunity for the branch or sales manager to issue specific instructions, and to iron out day-by-day routine problems.

Even district conventions do not fulfill the same function as a general sales convention attended by all members of a concern's selling force. The principal purpose of the district convention is to review local problems on the spot. The general convention, on the other hand, according to one sales manager, "offers opportunities for selling the salesman on his product and on his house, which, in my opinion, are not obtainable at a comparable cost in any other way."

For various reasons, but chiefly to sell the company to the salesman, the practice of holding sales conventions gained in popularity during the first two decades of the present century. A beginning was made long before that time. The Sherwin-Williams Company held a convention in 1881; eight salesmen joined four officials of the firm for a day's good time. The firm still holds general sales conventions and business is mixed with pleasure. In the main, the practice was popularized by specialty companies who marketed directly to the consumers. The first get-togethers were largely for recreation and pleasure; gradually, it was seen that they were also instrumentalities for the accomplishment of serious and constructive good.

2. *Advantages and disadvantages of conventions.* —Many arguments are advanced in their favor. The Sherwin-Williams Company, pioneer in the movement, believes that general conventions pay big dividends not only in increased business, but in the

increased loyalty of its salesmen. This company boasts of an extremely low salesman turnover. G. A. Binz, manager of sales and advertising for the American Schaeffer & Budenberg Corporation, says in *Printers' Ink:*

> While my own experience is confined to the industrial field, where sales forces are comparatively small and therefore easy to handle, I feel that the matter of size (of sales conventions) is merely a problem of proper management. However, if I found that, for one reason or another, my force was too large to be handled effectively at a single meeting—I would hold two—*at the factory.*

Mr. Binz believes that it is a good thing for salesmen to reinforce their confidence in their product and their organization by regular visits to the factory, and is convinced that, rather than have the salesmen come in individually, it is better to have a three- or four-day convention. There is the added advantage that the event can be prepared for. The entire organization can coöperate to make the salesman feel that he is an important part of the organization. When the sales manager has the opportunity to deal with all his men at one time, Mr. Binz claims, he can afford to dramatize presentations so that they will leave a far deeper impression than in individual talks.

The arguments usually cited against sales conventions are those cited against conventions of almost any kind. Many salesmen believe that the sole purpose of a convention is to give the company an opportunity to stage a series of pep talks, more or less

obvious and platitudinous. A favorite practice at conventions is to schedule practical talks by individual salesmen with the result that the men tell how they think they do the job or ought to, rather than their actual performance. It is further argued that the successful salesman can rarely tell the real secret of his success.

A few dissatisfied salesmen, other critics say, can spoil a convention by relating in informal or formal sessions their grievances and alibis. Some executives believe that it is not a profitable thing for salesmen to get together and compare notes. They find out much they should not know. Jealousies and discontent arise about territory, commissions or salaries, particular practices, and the like. Many salesmen—at least so they say—would sooner stay on the road and not lose the time and money, even though the company pays their expenses to the convention.

3. *The costliness of general conventions.*—The most potent argument against sales conventions from the company's side is their cost. Unquestionably, such conventions are an investment, and often a large one, and any company will do well to estimate its dividends before making the investment. Railroad and Pullman fares cost approximately five cents per mile per man. Daily expenses exclusive of transportation will run to seven dollars, or more, a day per salesman.

The loss of working time for the entire sales force while traveling and at the convention is an important

item. The time spent preparing for and conducting the convention by everyone in the home office, from president to office boy, must also be counted. Finally, there are always the expenses of decorations, convention publications, souvenirs, banquets, speakers' fees, charges for entertainment features, and a host of other items. A convention for a selling force of a hundred, if the men are scattered throughout the country, can easily cost $25,000 and many conventions cost nearer $100,000.

The National Cash Register Company brings most of its men to the factory at Dayton for a business convention, and then takes its star salesmen, the 100-point men, to New York City, Bermuda, or some other popular place for recreational outings. Because of the lower cost of district conventions, involving smaller outlays for travel, etc., many companies have substituted the district for the general convention. One New York City sales executive estimated that a general convention cost his company more than $22,000, while district conventions for the same group of salesmen cost less than $7,000.

On the other hand, H. F. Johnson, Jr., of S. C. Johnson & Son, reports that his company's convention costs "just about as much as a four-color spread in one of the larger publications. As nearly as I can estimate, its effect on our sales is going to be equivalent to four or five of these spreads."

4. *The purpose of the sales convention.*—If a sales convention is going to be worth what it costs, it must

be held with some definite purpose. In general, the purpose of the sales convention should be educational or inspirational, or both. The late Charles W. Hoyt declared:

> Every convention should have a major purpose, such as the announcement of a new line for the year or for the spring or fall, the introduction of a new product or a new selling plan for the salesmen, or the announcement of some plans which will produce a decided improvement in the methods of selling.

New policies and selling plans can undoubtedly be presented with greater effectiveness and more economy to a large group of men than to single individuals.

If the purpose of the convention is inspirational; if loyalty to the company is to be deepened; if men are to be impressed with the fact that they are essential parts of a great organization; if they are to be instilled with enthusiasm to carry them through the year or through a particular campaign—if any or all of these things are to be done, a general convention has decided advantages over district conventions or individual meetings. Group psychology can be capitalized.

If the purpose of the convention is both educational and inspirational, virtually the same arguments hold good. But if the sales difficulties and problems of a company are largely localized, if the great need is to take the kinks out of certain individuals on the force, then district conferences or even individual meetings

serve the purpose better than a general sales convention.

If the company decides that from the viewpoints of purpose and cost a general sales convention is justified, no effort should be spared to make it a success. This entails careful consideration of such major questions as: where and when the convention should be held, how long it should last, how it should be planned and conducted, and what steps should be taken to follow it up effectively.

5. *Where to hold the sales convention.*—The most natural place to hold a convention is at the factory or the home office. If the manufacturing process necessary to turn out the product is complicated, then certainly the factory is a good place to hold the convention. If both the factory, and the home office with its credit, shipping, order, and advertising departments are located, as is often the case, at the same center, that center is certainly the logical place for a general convention.

One beneficial result of holding the convention at headquarters is that the sales force and headquarters staff become better acquainted. The whole organization works with better understanding and with a unified feeling. The Sherwin-Williams Company offers in *Printers' Ink* the following testimony in favor of factory conventions:

> Most of the troubles we have with our sales force are troubles of misunderstanding. How can you expect a salesman out in Seattle to appreciate production difficulties

when he doesn't even know how the stuff is made? It is no wonder they rave about slow deliveries, for they don't know what we are up against. And then there is the other side to it. I'm not satisfied that we have a full understanding of the salesman's troubles here at the factory. The salesmen who are writing in, complaining, are probably not a bit more unreasonable than we are if all the truth were known. It isn't that either side is unreasonable. The trouble is we haven't all of us—salesmen, officers, and department heads—got the same broad general view of the whole selling problem.

6. *The convention at the home office.*—Certainly the salesman who goes into the factory, meets the president and other officials, and is made to feel that the company places some value on him personally, is in better spirits to go out and make the year a successful one than the salesman who has never even seen headquarters, the factory, or the officers. It is only human. The salesman who is acquainted at headquarters is more likely to be a really effective ambassador of the company than one who is not, and nine chances out of ten he will impress his customers accordingly. The prospective customer who is considering purchasing a certain product is often pulled a long way toward closing, if the salesman can remark about some doubtful point, "When I was at the home office I was talking to the president about that very matter, and he told me what a great advantage it really turned out to be in practice."

There may be offsetting disadvantages in holding the convention at the factory or at headquarters.

Either may be situated in a place not centrally located in relation to the territories of the whole selling force, and hence may involve large transportation costs. Again, headquarters may be located in some large city where the expenses of the salesman may be heavy during the convention period. Finally, headquarters may be in some small city which would not furnish adequate accommodations.

7. *Conventions at recreational resorts.*—Where the last-named condition has existed, some companies have taken matters into their own hands, holding the convention in summer and setting up elaborate convention camps. The Autocall Company of Shelby, Ohio, a town of only 4,000, carried out this idea with most satisfactory success. In an ideal spot a short distance from town, a literal tent city was laid out. It consisted of a mess hall, a tent with shower bath, and dormitory tents. Splendid meals were served. The men were out-of-doors, and it is safe to say that expenses were kept within a margin which would not have been possible had the convention been held in a hotel of adequate size in some city. Then, too, the foregoing plan was instrumental in bringing the salesmen near the factory.

A number of companies holding summer conventions select some popular recreational resort for the purpose. Salesmen are open-air men anyway, and the convention out-of-doors does not take them so far out of their accustomed habits. Many salesmen, because of the recreational and entertainment possi-

bilities of such a convention, look upon it as a part of their vacation. This factor is, of course, a strong advantage of the plan.

Thomas A. Edison, Inc., thinking it not so necessary to bring salesmen to the factory, several years ago adopted the plan of holding the convention in three divisions, one in New York, one in Chicago, and one in San Francisco. All convention attendance records in the company's history were broken. Before trying the plan, the company had held its convention in New York, but the increased accessibility of the new plan proved a boon. The same program was carried out, addresses were made by the same speakers, and the entire convention trip took only two weeks.

8. *Frequency and length of conventions.*—After a decision is reached as to where the convention is to be held, the next question to be decided is, when it is to be held—and how frequently. The most obvious answer to the question is that it should be held in the slack season of the year. If the company can make this slack season coincide with the introduction—or at least the completion of production—of some new product, so much the better. Of course, if there is reason for an open-air convention, it must be held either in the summer or in a tropical climate during the winter. How often conventions should be held, each company must decide for itself. How much good has been reaped from past conventions? how costly are conventions? Can general conventions be

alternated with smaller and less expensive district conventions? Factors such as these must be taken into consideration.

A related question is: How long should conventions last? Certainly no longer than is absolutely necessary. Sales managers are coming to the opinion that a week is too long. Many try to get the convention over in two days if possible, although the three-day convention is probably the most popular.

The length of the convention is indeed important. Salesmen should not be kept out of their territories any longer than is necessary. A long convention is likely to witness a breakdown in interest. Convening salesmen are harder to control over a long period—and control is often required. The longer the convention, the greater the cost. These and other factors make advantageous the short conventions.

If it is to be a three-day convention, many managers like to hold it on Monday, Tuesday, and Wednesday, or on Thursday, Friday, and Saturday, so that the men may make use of Sunday for traveling. Where some of the salesmen must make long journeys, the middle of the week may be better to give them both week-ends for travel.

9. *Planning the convention.*—The first step in the planning procedure is the setting up of a convention organization at the home office. It is probably best to center responsibility in one individual, allowing him to appoint committees to take charge of the various phases of preparation. In some companies

this convention organization takes the form of a permanent committee.

Others find that best results are accomplished under the pressure of intensive effort. Members of the sales promotion department are often incorporated into a committee to take charge of advance preparation with the sales force itself. Another committee takes charge of the program. The advertising and educational departments may be called upon to prepare educational features and exhibits. Some individual showing particular talent in that direction may be called upon to manage special stunts or dramatizing features. The traffic manager and his department can profitably be given charge of transportation and reception. The welfare director may be called upon to plan entertainment and recreation.

The preparing of the salesmen themselves is an important part of convention planning. If a main topic of discussion is decided upon, it may be well to send out bulletins on the subject to the sales force. Some companies send out detailed questionnaires on the topic to successful salesmen or to the entire sales force. Specific reference may be made to some portion of the sales manual which has a bearing on the topic or topics under consideration.

Some sales managers go so far as to call important salesmen into the office to prepare them for leading the discussion on important subjects to be taken up at the convention. If this plan is followed, it is well

to call in one or two topnotchers for each class of products. Special advance bulletins help work up enthusiasm for the coming meeting. The house organ may be used to anticipate attractive features of the gathering, where it is going to be held, who is going to be there, who will speak, and so on.

The Barrett-Cravens Company two weeks before its convention mailed to the sales force a twenty-four-page booklet entitled, "Convention Program and Credential Book," containing a program outline, instructions to the men, memoranda pages, expense account, and hotel and meal coupons. The salesmen were asked to study the situation carefully and to become thoroughly acquainted with the plan of procedure.

10. *The work of the program committee.*—The individual or committee working on the actual program of the convention has a most difficult and delicate task. This is one committee that might well be working the year round, for the formal program is certainly the backbone of any convention, and a good program is usually the result of careful planning. Specific topics should be suggested, sifted, and finally decided on. It is then well to select a definite speaker for each topic.

The best minds in the industry should be consulted on this matter of program. Men should be secured who seem to be able to forecast the industry's trends and who keep in touch with its problems. Although certain executives object to the practice, many pro-

gram committees have found it worth while not merely to ask men to speak, but to ask them to speak on a particular and specific topic. Furthermore, it is not at all out of order to tell a speaker just how long his address should be, and to ask permission to edit the manuscript of his talk. Valuable suggestions on speakers and topics can often be gotten from the editorial departments of business publications within the industry.

11. *The choice of convention speakers.*—A more particular question is: What men from within the company should speak, and what men should be secured from the outside? Certainly the president—if at all accustomed to speaking—should talk to the men at least once, probably to give them a warm address of welcome. The late Charles W. Hoyt maintained that the treasurer should always speak. From his specialized experience, he can take them to task for poorly compiled expense accounts, for lack of economy, for fallacious beliefs about prices and discounts. The very fact that he is usually a man of a temperament diametrically opposite to that of salesmen gives him a good audience in a sales convention. He can ingratiate himself, Mr. Hoyt suggests, by admitting that he, himself, probably could never sell a bill of goods.

The head of the credit department can profitably be called upon to speak, presenting the problems of his department in relation to the sales force. The salesmen, in turn, can ask him questions about credit

practices and clear up many points with the least waste of time. Certainly someone from the production department should speak. This may result in as much good to the production department as to the salesmen, since they may get from the salesmen valuable ideas on possible modifications in the product which will make it more acceptable to customers. If a new model is contemplated, this last point is particularly important.

The advertising department should usually have its best speaker on the program. Nothing helps a convention more than the announcement of a well-planned and forward-looking advertising program. If possible, the speaker should be provided with a stereopticon machine and colored slides so that he can throw on the screen large replicas of the proposed spreads. The advertising must be sold to the salesmen.

Time and again, however, it has been suggested that the sales convention is a poor place to work out an advertising program. Such an effort usually results only in quibbling. Salesmen's suggestions on advertising are often good, but they can best be got by sending out letters some time before the advertising program is complete.

The question of securing outside speakers for the convention is not one on which there is unanimity of opinion. Many a company regards the sales convention as its own private affair, and few will deny that, if within the company can be found an adequate

number of interesting, inspiring, and informing speakers, there is little excuse for going outside to obtain platform talent. Few companies are so fortunate, however.

Two rules can be laid down for getting outside speakers. Get a man who is thoroughly acquainted with the subject on which you wish him to talk, and get an interesting and inspiring speaker. The Dartnell Corporation issues a folder on "Where to Get Speakers for Sales Meetings," giving the names and addresses of the men, their special fields of interest, and usually the cost of obtaining them.

12. *Balancing the program.*—How the program shall be balanced is usually another problem to be definitely settled by the program committee. What time shall be given to speeches, to general discussion, to group discussions, to recreation and entertainment? A final bit of work to be done by the program committee is the choosing of a competent presiding officer for the convention—the man who will keep the program balanced.

The committees for arranging educational features and exhibits, special stunts, and means of dramatizing the convention have no easy problem. If a new product or model is to come out at the time of the convention, it should be exhibited—but with qualifications. If it is intended to push the sale of this new product or model, it should be introduced at the convention with the same care and drama with which a new star is presented at the opening of a musical

comedy. If it is desired to show salesmen through the factory, the trips should be carefully arranged; needless to say, they should be intelligently conducted.

If there is good dramatic talent in the organization, it may be well to write up in the form of a one-act play certain arguments or situations which should be put across at the convention. The Edison Company has dramatized its programs with a great deal of success. Drama is always a more interesting form of composition than exposition. Entertainment stunts should be selected with care; more particularly, they should be placed in the program with care. Many companies seek to entertain their salesmen at meal times, particularly at the banquet on the final evening of the convention.

The following is a typical sales convention program:

WEDNESDAY

For Men	*For Ladies*
9:00–10:00 Registration	10:00 Address of Welcome
10:00– 2:15 General Session	Balance of morning, sight-seeing trip
12:30– 1:20 Luncheon at factory	Afternoon—Free
1:30– 3:00 Group sessions	Evening — Dinner party, wife of president as hostess, assisted by wives of vice-presidents and general managers
3:10– 4:15 Group sessions	
4:25– 5:30 Group sessions	
6:00– 7:30 Group dinners	
8:00–10:00 Conference smoker at factory	

THURSDAY

For Men	*For Ladies*
9:00–11:00 General session	
11:15–12:15 Group sessions	
12:30– 1:20 Luncheon at factory	Morning—Free Luncheon — Mrs. Sales Manager and Mrs. Advertising Manager, hostesses at club or hotel
1:30– 3:00 Group sessions	Afternoon—Free
3:10– 4:15 Group sessions	Evening—Free
4:25– 5:30 Group sessions	
6:00– 7:30 Group dinners	
8:00–11:00 Individual conference at factory	

FRIDAY

For Men	*For Ladies*
9:00–12:30 General session	Morning — Trip through factory
12:45– 2:30 Luncheon at club, or hotel near by	Luncheon—Free or given by visitors to wives of management and executives
2:45– 4:00 Group session	Afternoon—Free
4:00– 5:30 Final business session	Dinner—Given by company to all wives of salesmen and executives
5:30– 6:30 Announcement of votes and decisions when possible	Evening — Theater party given by company
7:00– 9:00 Banquet at hotel	
9:00–11:00 Banquet novelty entertainment	

13. *Handling the physical problems of the convention.*—Planning the physical facilities for a convention is a grave problem, if the sales force is a large one and widely scattered. The matter of transportation can usually be turned over to the traffic man-

ager; if needed, railway officials are always glad to aid. Most companies like special cars and special trains, if they can be had. One traffic man once went so far as to hand the men their hotel keys before they left their trains.

In quartering the men while at the convention, everything should be done to avoid confusion and to provide comfort. Both the hotel and the men should be informed as to just what bills the company will pay. It is good to use some method of checking the hotel bill; men are often given coupon books with one for their room, one for each meal, etc. Food is another difficult problem to handle with salesmen. They certainly should not be overfed, if they are to pay close attention to the convention. Intoxicants are usually bad. It need not be said that home-cooking is popular with traveling salesmen.

Another detail of this phase of planning is selecting the proper auditorium for the general sessions and the proper rooms for group meetings and discussions. Rooms should be well ventilated and comfortable and should have good acoustics.

One point is always to be remembered, if the convention is at headquarters; the salesmen are guests, and the entire office force should be on company dress and manners. Courtesy should be the rule, provision should be made for answering the salesmen's inquiries (and for concealing what they should not know), but the salesman should leave with a fine impression of headquarters; and this should be planned for.

14. *Operating on schedule.*—If the convention has been carefully planned, the conducting of it will not be a great problem. The reception committee must function perfectly. The convention must run on schedule. The chairman should be coached to carry out the schedule on the minute and nobody in the company, from the president to the office boy, should be allowed to make any interruption.

The time of the men should be kept occupied, and a check should be kept on them. If there is danger of detrimental all-night parties and carousals, the coöperation of older salesmen may be solicited in warding off such situations. The men should not be made to feel that they are strangers at headquarters, and time should be given them for conferences with executives.

When the convention is over, its results should be carefully secured by proper follow-up work. Papers and discussions may be printed. Bulletins and special letters should refer to the lessons learned at the convention. If at the convention the salesmen have been sold on the company, on a certain product, or on a particular idea, they should be kept sold.

REVIEW

Discuss the advantages and dangers of the sales convention.

What can be said in favor of holding the sales convention at strategic district points rather than at the home office?

Discuss in detail the problem of planning the convention.

Set up a model sales convention program for a particular company.

CHAPTER XV

SALES CONTESTS

1. *Purposes of the sales contest.*—Sales contests are rather elaborate devices employed to stimulate the selling force to increased and intensified activity. They have a number of uses. The more obvious of these uses is to increase the general volume of sales, perhaps the most infrequently resorted to. Again, contests may be employed to secure an increase in sales over the previous period—to sell more in May than in April, more in 1930 than in 1929. A particular contest may be aimed to promote general efficiency in salesmanship, in which case it is necessary to find some means of giving rewards for tasks other than ordertaking. Of course, greater sales is the desired end, even in this case.

The two most frequent uses of sales contests, however, are as stimulating devices during dull periods and as special devices to push certain classes of products. A great many businesses, for example, have seasonal slumps, to offset which the sales manager may inaugurate a contest. He may even set the contest in motion before the slack season is due, in order to offset it in the year's total. In the second class, when the sales contest is used to push a certain

class of products, it serves virtually the same purpose as a special bonus on the product or class of products more difficult than others to sell.

2. *Advantages of the sales contest.*—The employment of contests is by no means a universally accepted practice among sales managers. In fact, a survey made by the Dartnell Corporation showed about a fifty-fifty division of opinion. Probably the outstanding advantage, in favor of the use of the sales contest, lies in the fact that it appeals to a fundamental characteristic of human nature, that is, the love of competition, the enthusiasm for playing the game.

Certainly this characteristic is common among Americans. We love to engage in competitive sports, outdoor and indoor, to strive for success in business and in every department of life, and success is usually interpreted in terms of winning over someone else. It is a part of the "go-getter" spirit. We do very little for its own sake alone, or for the love of doing it. Rather, we like to do it, if there is a chance of doing better than someone else. The testimony of hundreds of sales managers indicates that the oldest and most cynical salesman has this instinct within him. He may laugh when a contest starts, but he will be plugging hard to win before it is over.

It is true, too, that sales organizations, like most groups of human beings, sometimes get into a rut, even into a slump. A spirited, well-conducted contest may literally "yank" such an organization to its

feet as nothing else will. This is probably more true of younger men than of seasoned salesmen.

Where the contest is one between groups rather than between individuals, as, for example, between branches, districts, or territories, another advantage is cited in its favor by many sales managers. This is, that it produces the right kind of team spirit and teamwork, even to the extent where older, experienced, and successful salesmen will jump in and help the young or not so successful salesman, just to keep the branch in the running.

3. *Disadvantages and dangers of the sales contest.* —Against these advantages, the sales managers in the anticontest camp cite certain disadvantages. The contest, they say, may result in destructive, rather than in constructive, work. Progress thrives sometimes on competition, but sometimes, too, competition kills. To win, a salesman may resort to unwise and often unfair practices. In the heat of excitement a prospect may be oversold, almost forced to a decision which he will afterwards regret, with the result that the goodwill of the company suffers. Particularly, he may buy a greater bill of goods than he needs. Woe unto the company, when these products do not move fast enough!

Again, the salesman, in the excitement of a contest, may oversell the easy items to the neglect of the whole line. Of course the contest may be so planned as to offset these possibilities, but there is always the tendency to go too far in the heat of battle. Even

where a contest emphasizes the performance of tasks other than ordertaking, such as window trimming, the setting up of special displays, and so on, the salesman in his zeal may prove to be a general annoyance to the dealer.

A complementary disadvantage often cited is that contests overemphasize selling in the present. They build up a spirit altogether different from the one required of a salesman who looks at his task with the long-pull view. The prize salesman after all, many sales managers say, is the one who progresses steadily, whose work is cumulative in its effect, who builds contacts for the company that are lasting and that constantly grow stronger.

Perhaps the objection to sales contests, that is most often heard, is that they are inevitably followed by a slump. The pendulum that swings a great distance in one direction must inevitably swing almost an equal distance in the other. If competitions stimulate a man literally to outdo himself for a few months, he is bound, opponents of contests say, to fall below par for the next month or so.

Inevitably, some sales managers hold that this tendency greatly increases salesman turnover. A man drives himself ahead at full steam or more for a while —and then quits. Likewise, the poor fellow who did not make a good showing in the contest gets discouraged and quits. Not a few conservative sales managers declare that money spent on contests might be much better spent on sales training.

It is useless to try to persuade such individuals that the evils of contests can be eliminated and the benefits retained, if proper attention is given to planning and conducting them; the evils, they say, are inherent in the system. It is certainly safe to say, however, that the proper planning and careful conduct of contests will tend to minimize the disadvantages and add to the sum of benefits.

4. *The duration of the contest.*—One of the first things to be decided in contemplating a sales contest is its duration. Shall the contest be long and extensive or short and intensive? The extensive contests are usually linked in selling with the quota system of work and compensation. Again, this kind of a contest, in result if not operation, is analogous to certain bonus plans. If the force is on a quota basis, the sales manager may divide the yearly quota into proportionate monthly quotas and run a more or less continuous contest in reaching these smaller quotas as well as the whole quota. If a contest of this type is going to run for the course of a year, it is often well to make the time of the sales convention the beginning of the year. At the convention, the announcement of terms and prizes can be made, and the prizes can be awarded at the succeeding convention.

An interesting continuous contest, not at all concerned with quotas, is carried on by the Packard Motor Car Company of New York. This company has established the Master Salesmen's Club. Not more than five salesmen can be elected to it each year

on the basis of their meritorious records. A committee of five from the Board of Governors of the Packard Company makes the selection. Nominations are received from all branch and sales managers. These are gone over very carefully and the best ten selected by ballot.

The ten men appear before the committee one by one. Each is asked identically the same questions devised to draw out his ideas on salesmanship, executive requirements, Packard policies, and ideals. From these ten the committee selects five by ballot.

The final selections are based, according to a letter to the Dartnell Corporation from Lee J. Eastman, president of the company, on the following factors:

(a) General appraisal of the candidate's service to the Company
(b) Spirit of his work
(c) Value of his influence on his associates and on the Organization at large
(d) Indication of permanency in the candidate's connection with the Company and his general desirability as a permanent member of the Packard organization
(e) Territory in which his work has been done; relative ease or difficulty in securing results therein; his results weighed against its possibilities

In addition to the honor of being elected to membership, each member of the club is given Packard common stock to the amount of $500.

5. *The short, intensive contest.*—Most sales contests, however, are of the short, intensive variety. It

is generally agreed that contests of this sort should not run longer than ninety days; a great many sales managers think that a month is long enough. There are obvious reasons for this feeling. The fever pitch of an intensive contest cannot be maintained for a period much in excess of three months without having subsequent detrimental results. Again, any well-planned and well-conducted contest should allow for several secondary climaxes in addition to the grand climax, that is, there should be near contests within contests, an effort to be on top at the end of the week or month or some other period. Obviously, there cannot be too many of these secondary climaxes within a single contest, a danger which will occur if the intensive contest runs over too long a period.

For the same reasons, intensive contests cannot be held too frequently. Men tire of competitions which occur too often, even if a wholly new idea is introduced into each. That, too, is natural; more than one world series in baseball each year would not go so well. Most sales managers agree that not more than two contests—even if each lasts only three months or less—should be held each year. Of course, if a contest is extensive or continuous, the same rule applies to the number of small competitions held within the main contest.

6. *Contest awards.*—Some sales executives maintain that the success of a particular contest depends not at all upon the prizes offered. The salesmen, these men say, are fully satisfied with the honor of

winning the contest. They even go so far as to maintain that the loyalty of salesmen should impel them to take part in a contest even though no prize is offered.

Against this view, C. E. Steffey, general sales manager of the National Cash Register Company, a concern which is a pioneer in sales methods and with which sales contests are popular, writes as follows in *Printers' Ink:*

> In putting on sales contests, we feel it is only proper to offer a reward for extra effort by our salesmen. Although the salesman may be entirely willing to put forth extra effort without reward, we do not feel it is fair to ask or even expect him to do so. This is why we believe in offering prizes to our men during contest months. In our contests, we set a certain goal, which is always more than the regular quota. If a salesman reaches this goal, we can easily afford to pay him a liberal reward for the results secured.
>
> I have no doubt that we could put on a fairly good contest during some month in which no prizes were offered, but I also believe we could put on a still better contest by offering liberal prizes, and in saying this I feel that the members of our selling force are probably as loyal as the men in the average selling force.

7. *Types of prizes.*—Sometimes an inexpensive novelty prize is selected for the opportunity it gives of writing humorous contest bulletins and letters. Not long ago a well-known company offered in a two-month contest one box (not one carton) of gold-tipped cigarettes. Solemn references were made to

this grand prize in almost every bulletin and letter which went out.

Another firm announced that the prize in a contest for a comparatively small achievement would be an automobile. The prize and the proportions of the contest were so incongruous that all the salesmen knew there was a joker somewhere in the proposition. The award was a toy mechanical automobile, and yet the contest was a huge success.

If cash prizes are to be offered, they must be commensurate in size with the effort required to win them. To offer ten dollars to the man who increases his sales by $10,000 is an absurdity. By the same token, it is foolish to give a large sum as a prize in a small contest.

A great many sales managers are finding that it is better practice to give merchandise rather than money as a prize. Merchandise has a degree of permanency while money is quickly spent. In this there is a psychological consideration. The man who receives a gold watch as a prize is thrilled about it not only at the time he receives it, but for years afterwards. He will repeatedly stimulate himself by taking out the watch and telling how he won it as a prize in the sales contest for his company.

Where merchandise is given, the salesman's wife is often taken into consideration in the belief that if the prize is something she may want—perhaps a piece of furniture for the house—she will press her husband to greater efforts. Some companies even

take into account the children of the salesman in selecting prizes. When merchandise is given, and all these persons are considered, there is usually an opportunity for choice among a number of articles by the winner and his family. To accomplish this most conveniently, the company often gives merchandise coupon books.

The detailed plans for the contest will, of course, depend upon whether or not the prize is to be awarded to a group, like a branch office, or to an individual salesman. The former method, as has been indicated, has the advantage of encouraging teamwork and discouraging the possibility of unpleasant and perhaps unfair rivalry.

8. *Building the contest around a central idea.*— Any contest must be built around a good idea, something which will attract the favorable interest of the selling force. Often the season of the year will suggest the right idea. Thus, a contest built around a baseball game will be seasonable in summer. At that time, also, a contest may be symbolized by an automobile race. If a sufficient number of the salesmen are golfers, the contest may be built on that idea. One western organization held a "rodeo" in the autumn. Hunting is also seasonable at this time.

The Brooklyn branch of the R. M. Hollingshead Company, under the managership of W. E. Hawkins, Jr., a few years ago put on a baseball contest. The selling force was divided into two teams which, for the sake of local color, were named the "Giants"

and the "Dodgers," respectively. Any number of players could be on a single team. Each salesman was assigned a quota. The plan had the possibility of assigning separate quotas on main items. Games were scheduled for each working day over the period of the contest. Daily box scores were issued as well as tabulations showing the standing of the clubs.

The scoring was figured out on the basis of the percentage of the quotas sold each day. One per cent of the quota on a single item or 1 per cent of the total was credited with a single, 2 per cent a two-base hit, 3 per cent a triple, and 4 per cent a home run. Provision was made for an excess of 4 per cent by the method of giving a home run and a single for 5 per cent, and so on. The total bases scored each day, divided by four, represented the number of runs scored for the game, and, of course, the team scoring the most runs won. Daily bulletins in baseball vernacular added much to the interest of the contest. Under this method, a prize could be awarded for the winning team, another for the greatest number of bases scored, a third for the "home-run king," and so on for other stars. Of course, daily prizes could also be offered.

9. *The special-trip contest.*—The National Lamp Works of the General Electric Company puts on a different kind of contest, called "On-to-Nela." In this contest, it is assumed that every salesman enters 10,000 miles from Nela Park, the home office of the National Lamp Works. His credits, in the form of

miles, lessen his distance from Nela Park. Credits are given for other activities than securing orders. If the 10,000 miles are covered within the time of the contest, the salesman gets a free trip to Nela Park, where he is in the sales camp for a week of work and play. Since the contest distance of every candidate is the same, it matters not whether he is working in San Francisco or New York; all expenses of the trip to Nela Park are paid.

Supplementary details of the contest are described as follows by N. W. Townsend in *Printers' Ink Monthly*:

> But this trip to Nela Park is by no means the sole reward offered to the salesman, for he is also given an opportunity to get a number of valuable souvenirs as his lamp business, in terms of miles, grows during the period of the contest.
>
> In the first contest, the salesman automatically received a certain souvenir as his mileage reached a certain mark. When he had traveled 250 miles, a tooth brush in a glass case was sent him. At 500 miles he received a collar bag; 750 miles, a shaving brush; 1,000 miles, a pair of Pullman slippers; 1,500 miles, a gold safety razor; 2,000 miles, a manicure set; 3,000 miles, an ebony-backed clothes brush; 4,000 miles, a folding umbrella; 5,000 miles, a bathing suit; 6,000 miles, a military hair brush and comb; 7,000 miles, a leather toilet case in which most of his previously won souvenirs would fit. His last souvenir, before qualifying for the Nela Park trip, was a Gladstone bag, which came at the 9,000 mile post.
>
> All of these souvenirs very definitely conveyed the idea of travel over the 10,000-mile trail to Nela Park, and were things he could use on his way to or at the sales camp if he was one of the winners. Even the bathing suit comes

under this classification, for there is a swimming pool in the camp at Nela Park.

10. *The season as a central contest idea.*—An interesting variant of the usual contest idea is to be found in a competition suggested by O. W. Bartlett, general sales manager of the American Slicing Machine Company of Chicago. One fall the company offered a turkey for Christmas to every salesman who beat his quota up to that time. The size of the bird depended on the number of machines sold above the quota. Each man was asked to appoint a child in his family as a mascot, in the belief that every one of them would work hard to make some youngster happy at Christmas, and that the youngster would leave nothing undone to insure that father brought home the turkey.

The Addressograph Company reported to the Dartnell Corporation an outline of its baseball contest, in which eight teams participated. Squads were drawn from the salesmen on the quota board. The high nine men on each squad constituted the team. As the relative standing of the men on the squad changed, the personnel of each team automatically changed. Scoring was a point basis. Each selling task merited a determined number of points. Each team played fourteen games, each game lasting a week.

Not only teams, but men were rated. Prizes were awarded to the three high teams, and eight special prizes were awarded to individuals for particular

accomplishments. The prizes totaled $1,755. Cartoons, box scores, special team names, and other devices were used in stimulating the contest.

11. *Planning for the contest.*—Another essential which needs to be taken into account in planning a contest is insuring that reasonable quotas are set. No man will work, even in the zest of competition, for goals impossible of achievement. Further, a good rating system is needed; it is not usually safe to score a contest on the basis of mere volume. Complementary to this, provision should be made for a rating which will give every salesman a fair show. The man in the hard territory must have just as much of a chance to win as the men in the easier field. A cub may not be expected to win the contest, but the rating system should at least allow him to get in the running.

Special precautions must be taken to see that the contestants do not oversell in any sense. The contest should be so planned as to discourage methods of artificially stimulating volume. Taking this precaution will go a long way towards providing against those after-contest slumps that are altogether too common and that furnish justifiable ground for the arguments of opponents of sales contests.

Absolutely nothing should be overlooked in the advance preparation for the contest. The sales manager and his assistants should see that full information is sent to all contestants at least two weeks before the competition commences. But this is not enough. The contest must be sold to the salesmen. Attractive

advance bulletins should be prepared, if necessary, with the coöperation of the advertising department. Full use of the house organ should also be made. If sales meetings are held during the period of preparation, their programs should include speeches on the contest. The first requisite to a successful contest is that it must start with a bang.

The conducting of the contest will be made easier if all the details are taken care of in advance. Often the forms for sending in and keeping records can be prepared ahead of time. Score sheets can be set up. Methods of quick communication necessary in a contest should be determined in advance. Sometimes a goodly portion of the material for sales bulletins and letters to be used during the contest can be put in shape before the competition actually starts.

Once in a while, of course, a sales contest may start spontaneously. W. L. Barnhart, vice-president of the National Security Company, records in *Printers' Ink* that his best one started in that way. One night the southern regional manager sent in the following telegram: "Largest forgery bond sale ever made in the South consummated by LaVarre. Premium practically five thousand per year. Leaving tonight for Houston. From now on watch Southern District. We challenge any district to keep pace with us." The regional manager had thrown down the gauntlet. The vice-president capitalized the situation, sent a copy of the telegram to each of the other district managers with a "come-on" letter, and the

contest was on. But, of course, few sales managers are so fortunate as to have a successful contest commence in that fashion.

12. *The conduct of the contest.*—No sales manager is likely to find much idle time on his hands while a contest is in progress. He almost always becomes captain, coach, and cheer-leader rolled into one. He must see that everything moves on schedule. Bulletins must go out regularly. So must announcements of the comparative standing of every contestant. Careful check must be made to see that everything is running right and according to rule.

Not only must the leading man be properly encouraged, but the low men must be braced up; no contest is successful if the latter task is neglected. Every possible means must be employed to make the stimulation effective. This point was taken into consideration, when Sales Manager Bartlett made every salesman in the American Slicing Machine Company's contest choose a child as a mascot. As soon as the child was selected, the company got in touch with the youngster, wrote him all about the contest, and explained that they were counting on the mascots to help their salesmen make a creditable showing. One little girl even visited the butcher shops in her town; if a certain shop did not use the American Slicing Machine, she sent her father in to make the sale.

The importance of personal letters from the sales manager to the contestants cannot be overempha-

sized. Bulletins and broadsides are not enough. Each salesman must be made to feel that the sales manager has a particular and personal interest in his work and standing in the competition. A contest, after all, is a very human affair, and mere routine will not make it go.

13. *Special interest devices.*—Too much attention cannot be given to the devices which may be used in successfully conducting a contest. All communications should be keyed to the idea—baseball, golf, automobile race, rodeo, or what not—on which the contest is based. Specially printed bulletin forms featuring some idea of the contest may be used. The artist and the engraver, as well as the editor, may be called on to dress up the house organ in keeping with the motif of the contest during its duration. If sales meetings are held, particularly if they are dinner or luncheon meetings, the hall may be decorated in a manner symbolic of the contest. Main and branch sales offices may be appropriately decorated.

A splendid example of the proper use of conducting devices is to be found in a rodeo contest conducted by a well-known manufacturing company. Each sales district was designated a ranch and given a "brand" name. The district sales manager was made a foreman and his salesmen cowboys. Daily bulletins featured drawings of brand marks and cowboy terms.

The conducting of the contest is not finished until the prizes are awarded, and the manner in which the

awards are made may be more important than the prizes themselves. If a man wins a hard-fought sales contest, he should be helped by the company to feel some glory in it. A gathering, preferably a dinner, should be staged. The winner or winners in the contest should sit at the speakers' tables. If possible, the president of the company should award the prizes with an appropriate speech.

One company which awarded its prizes at a sales convention gave the winners distinctive canes to carry while the convention was on. This served not only to make these men feel good, but showed the whole sales force that winning a contest meant something in the eyes of the company.

If the contest had been thoroughly planned and properly conducted, so that it was not only exciting but pleasurable to all participants, both winners and losers, there is no reason why the after-effects should be bad. Rather, the good effects of the contest should continue beyond its actual close.

REVIEW

What are the special uses of the sales contest?

Discuss in detail the dangers involved in the use of sales contests.

How often should sales contests ordinarily be held?

How long should an individual contest be continued?

State the importance of a large and varied number of contest awards.

Discuss the mechanics of conducting some particular sales contest.

CHAPTER XVI

HOUSE ORGANS AND BULLETINS

1. *The function of the house organ.*—House organs for salesmen are stimulating devices and, like all means of stimulation, they should both inspire and educate. The question, however, arises as to what specific function the salesmen's house organ should fulfill in the program of stimulation. Because it is more elaborate and costly, it should serve some justifiable purpose that bulletins and letters do not or cannot accomplish.

The particular function of the house organ is to unify the selling force. It is a medium for keeping each salesman in touch with his fellow salesmen, with the home office, and with the entire organization. It should build up that oneness of spirit necessary to the morale of a successful sales organization. The letter is a medium of communication between the sales manager and the individual salesman; the relationship established even by bulletins is between sales manager and salesmen. The house organ serves to weld all into a single working unit.

In fulfilling this function in the program of stimulation, a good house organ has several definite advantages. The first of these is size. Very few matters

can be taken up in a sales manager's letter: certainly it can include little about the organization as a whole. The sales bulletin usually covers one specific subject. But the house organ of eight or ten pages of even a small size can cover many things. It is not as personal and pointed as the letter or bulletin, but it is more extensive.

In the second place, the house organ has the advantage of general attractiveness made possible by certain features distinctly its own. The better house organs are printed, and the printed page is a powerful medium of contact. It somehow has the tone of auhority and authenticity that is not possible to the written or typewritten letter or to the mimeographed bulletin.

Another feature which lends attractiveness to the house organ as a stimulating device is its illustrations, pictures, drawings, and cartoons. These catch the eye and give a touch of realism. Finally, the house organ is attractive because it is—or is supposed to be —an example of good journalism. It is deliberately and carefully written for the purpose not merely of presenting information, but of presenting it interestingly and fascinatingly.

2. *Considerations in launching a house organ.*— Whether a company should inaugurate a house organ for its salesmen is an important question of policy, and the decision to issue one should be based on a clear understanding of just what a house organ is. Robert E. Ramsay in his work, "Effective House

Organs" (D. Appleton & Company), has evolved the following definition:

A house organ is any periodical publication issued by a person, firm, organization or corporation for distribution among any particular class of people, whether for promoting good will, increasing sales, inducing better efforts, or developing greater returns on any form of investment.

William G. Clifford, by comparison, defines a house organ as follows:

What the newspaper is to the community, governmental reports to the nation, the "glad hand" to the wholesale house, that the house organ is to the business house. In short, it is the voice and personality of the institution expressed through the printed word.

It is not easy to get out a successful salesman's house organ. Tim Thrift of the American Multigraph Company has said:

I have a feeling that a salesman's house organ is a difficult form of house organ to publish because it is so hard to keep on that right line—the difference between hot air and sincerity—and the minute you let the salesman get an idea that your publication is full of hot air and ginger, hop and zip and pep and all that goes with it, and really is not in earnest, then you lose all control over it, and you really have to change house organ editors and wonder if you will get the salesmen back. For that reason I think it is extremely hard to keep just the right balance.

The sales manager and the company must decide, in the light of these considerations of the nature and difficulty of editing such a publication, whether a house organ will be justified for a given selling or-

ganization. Will it fill a real need? If the salesmen of the company are widely scattered, if they can be got together only in infrequent sales conventions, if there is a great deal of information that can be profitably given to all of them at the same time, if the regular interchange of one another's problems would be beneficial to them, if there is need of working up a spirit of mild rivalry without the use of sales contests—if these and similar conditions obtain in a particular selling organization, that organization can safely decide that it has need of a house organ.

How imperative is this many-sided need? The question must be answered in terms of what the company is willing to pay to fill the need. A house organ, a good house organ, costs money. The expense must yield returns; the investment must pay dividends. Of course, house organs vary in cost as they are large or small, and as they are mimeographed or printed. The company considering establishing a salesman's house organ must determine what expenditure the need justifies and then decide whether the house organ that can be issued for that expenditure will meet the need.

3. *Size, form, and frequency of issue.*—When the amount of money available for the house organ has been decided on, the company can determine what size to make the publication, both in page dimensions and in total number of pages. Unless the budget is absolutely rigid, several factors should be taken into consideration. Will the content of the house organ

be of such a nature that the salesman will be expected or will want to carry it with him? If so, a pocket size publication might be desirable. On the other hand, the small size places certain definite limitations on the make-up and appearance of the house organ and should not be imposed except for very good reasons. It is often very good practice to let the salesmen themselves express a preference as to size.

Another question of policy which must be settled somewhat in view of the amount of money to be spent on the publication is that of frequency of issue. Will the house organ come out weekly, monthly, quarterly, or at some other definite interval? Certainly, if it is at all possible, a salesman's house organ should appear every month or oftener. In this, as in other factors where cost is involved, the company can sometimes decide only after trial. It may be best to make a newly established house organ an experiment, and not skimp in making the experiment. Results will soon tell how much of an investment is justified.

4. *The selection of the house-organ editor.*—Above all, get a good editor. This is the first bit of advice which any organization that has had experience with house organs will give. It is not always necessary to go outside the organization. In fact, the otherwise capable individual who has a good knowledge of the company has a tremendous advantage as a house-organ editor. One of the sales manager's assistants may have unusual initiative and a flair for writing,

and some knowledge of the technical details of publication. A company's advertising agency may have a house-organ department or may be able to spare a part-time man to do the job, although the editing of a house organ is very often a full-time job.

A successful house-organ editor must indeed be a versatile individual. Someone has said that he must be all of the following: author, advertising man, feature writer, investigator, planner, printer, and proofreader; preacher without seeming to preach; teacher, without seeming to teach; and salesman. It is often preferable to select a man with newspaper or some other formal writing experience. It is not a particularly difficult task to write a good booklet; but to write a good booklet week after week or month after month for the same readers is a real job. Others may contribute and help. But the editor has the responsibility of whipping the material into shape, issue after issue.

Another consideration in establishing a house organ—a consideration which will determine to no small degree the selection of the editor—is the style of appeal which the house organ will have as to language, tone, personality, and so on. Will it comprise largely factual though interesting information? Will the attempt be made to make it humorous? These may seem to be trivial considerations, but they are really important factors.

5. *The choice of name and content.*—The final question of policy which comes up—and the pros-

pective editor should help to decide—is the choice of a name. The name should be catchy and distinctive without being freakish or bizarre, and it should be in keeping with the nature of the company and its product. The Stewart-Warner house organ is called *The Stewart Lever.* The Burroughs Adding Machine Company's publication, which also goes to banks, is called *The Burroughs Clearing House.* The Addressograph Company name their organ simply *The Addressographer,* and the Eastman Kodak Company issues *The Kodak Salesman.* It is sometimes good policy to offer prizes to the sales force for suggesting the best name.

The content of the salesman's house organ usually falls into the following divisions: The informational and educational, the inspirational, the human-interest material about individuals—salesmen, executives, and others—special features, and perhaps advertising. Between the informational and the inspirational, no sharp line can be drawn. The distinction can be only broadly made.

6. *Informational material.*—The informational and educational materials usually include articles about company policies, particularly those which change from time to time. About these the salesmen should be informed regularly, and they can be explained to the entire selling force simultaneously. In the educational and informational pages of the house organ can be presented descriptions of new products, featured with illustrations and drawings, and special

articles setting forth the selling points of the new products. Informational and educational materials, too, include the instructions which the sales manager may wish to give the whole sales force from time to time.

The ample size and scope of the house organ permit of informational material from other divisions of the company besides the sales department. An executive in the production department can use the house organ as a medium to present the interesting and informative story of manufacturing processes, of sources of raw materials, a good description of the plant's modern and efficient equipment—all of which is grist for the salesman's mill. Because of the illustration and display possibilities of the house organ, the advertising department has a splendid opportunity to inform the salesmen about the latest advertising campaign and to tell them how their selling can be keyed to it. In fact, a good, meaty message from anyone within or without the company is appropriate in the informational division of the house organ.

Probably the most important portion of the informational section is made up of letters from salesmen on ways and means by which they put the product or the proposition over. This material is obtained from the salesmen themselves directly or indirectly. It includes articles on such topics as, "How I Sold the Hardest Prospect I Ever Came Up Against," "The Best Sale I Ever Made on Such and

Such an Item in the Line," "A Window Display that Doubled My Order," etc. The number of such stories is almost endless and yet they constitute one of the chief functions of the house organ. It must be a medium through which salesmen can exchange selling ideas.

7. *Inspirational material.*—There is, however, that division in the properly conceived salesman's house organ which is definitely inspirational. It is usually on the editorial page. Not always is it an unsigned editorial message. It may be a fine, straight-from-the-shoulder "talk in print" by the president. It may be a good warm letter from the sales manager. If this signed editorial message is to have all these qualifications, the house-organ editor may actually have to write it; this can usually be done diplomatically. More often, however, the inspirational message is a straight editorial, unsigned, but presumably emanating from the editor himself.

A good editorial is a work of art. This is no less true in a house organ than in a magazine or a newspaper. The editorial which counts in a salesman's house organ must have "ginger" and "pull" in it; at the same time, it must be absolutely sincere and be built around a good human-interest idea. Few more nearly perfect specimens can be found than the following, taken from the *Comfy Chats* of the Daniel Felt Shoe Company. The first one, "Disraeli the Salesman," delves into history for a human situation around which to build an idea. The title, "Suggest-

ing the Obvious," explains the second. The editorials are reprinted from *Printers' Ink:*

(A) Disraeli the Salesman

One doesn't have to spend much time in the study of the career of England's famous statesman, Disraeli, to discover the particularly outstanding power of his personality. That power was his firm grip on the leaders of his party, on his followers—even on the Queen herself.

He and some friends were talking about the Queen. "When I talk with her," observed the shrewd Disraeli, "I observe a simple rule of conduct. I never deny; I never contradict; I sometimes forget!"

You may call it diplomacy; good politics; personality. But what else is it if it isn't *perfect salesmanship?*

In the retail field, above all others, we can apply the Earl's keen philosophy with effectiveness. In retail selling, we cannot put the burden of success upon eloquence, upon research, upon statistics.

Eighty per cent of the load must inevitably fall upon the personality of the salesman.

Here, too, we deal with women no different at heart then Disraeli's Queen. Your intelligence and knowledge of the merchandise are important. The quality of your goods and their price are important. The atmosphere of your store and its convenience are important. Your service and your willingness to give it freely are important.

But above all there is the fundamental necessity for tact, agreeableness and diplomacy on the part of the salesman. If you are to retain the good-will and the patronage of the modern queen, you must have everything that the modern store has. And then, like Disraeli, you must never deny, never contradict—sometimes forget!

(B) Suggesting the Obvious

This is a little report of two conversations, one with an optician, and the other with a shoe merchant.

At first blush it may seem a far cry from eyes to feet; but the methods which an optician successfully used on us will just as surely sell shoes if the principles be twisted and applied.

After describing how the optician attempted to sell him a pair of glasses for every occasion, the writer says:

Down in Philadelphia we talked with a shoe merchant who had the right idea. He said to us:

"It's a mistaken notion that rubbers can only be sold when it is raining. Why, whenever I sell a pair of new shoes I suggest that the customer get a pair of rubbers to fit them. Just as shoe styles vary, so do rubber styles. And it very often happens that the same rubbers which fitted the broad toe shoe which the customer wears will not fit the pointed toe which he has just bought. As a result of this little stunt I have more than doubled my rubber sales. It is the power of suggestion."

Sell Comfy Slippers the same way. They are not a novelty. They are a necessity. They are not a fad but definite merchandise with a purpose every bit as valuable as shoes.

Suggest them to customers as ease from strain of new shoes. Paint a word picture to them of the health, freedom and foot-comfort that will be theirs if they will adopt the slip-into-a-pair-of-Comfys habit at the end of a grueling day.

The force of suggestion at the time of the sale is one of the most powerful selling aids at the fingertips of any salesman providing that suggestion is bolstered by a little appealing sales talk.

8. *Human-interest material and advertising.*—Another division of the house organ should contain human-interest material. This varies widely in range. It may be personal stories and personal notes about individual salesmen or anyone in the company—births, marriages, hobbies, etc. The section is usually well filled with photographs, and, more than anything else in the publication, it serves to weld the sales force and indeed the whole organization into one big happy family.

The human interest section, too, may have its full

share of humor, jokes, or anecdotes about particular individuals, and humorous material of all sorts. It is a good bet that readers will often turn to this section first. Then, too, a house organ must have a section for special features, perhaps for the announcement of a contest, or for information about the progress and results of the contest. Material about sales conventions, new products, seasonal plans, and the like, will also appear here. Of course, special numbers will often be devoted to these matters.

Finally, a house organ may contain advertising. Not so often is this the case. It is, however, a possibility worth thinking of, particularly if it can be made to reduce the gross cost of the publication. If the sales force is large and made up of men of like interest, advertisers may be attracted to the house organ as a medium for reaching directly a certain class of prospective customers.

9. *The duties of the editor.*—The editor of a house organ has a very definite routine and schedule of tasks to perform. In the first place, he must collect his material. Mr. Ramsay suggests to the editor the following principal sources:

(a) Yourself
(b) Co-workers
    (1) Contributed voluntarily
    (2) Contributed on request
(c) Free lance writers
(d) Exchanges
(e) Syndicated features

(f) General clippings
(g) Readers

Of course, the editor is not just a copy editor. In newspaper parlance, he is a news editor as well, which means that he must be ingenious, use a great many of his own ideas, have a nose for news, and, by looking around the company and selling force, find leads for articles. He must keep abreast of the times; read certain papers carefully. He should not be shut up in an office all the time, but should mingle with the salesmen, pal with them, and be one of them. A good article or "story" often looks different in friendly intercourse.

The editor must plan ahead on his material as well as on future issues of the publication. If he is going to do a good job, he must keep ahead of himself and not be always racing to make the dead-line. He should follow a definite editorial policy and on the basis of this lay out issues in advance. Particularly, he should keep special seasons and occasions in mind.

His editorial policy, too, will dictate how he selects material. In doing this, he must have not only a general idea for a long period but a definite idea for each issue, which should be carried out in detail. It is in relation to this task that he may form enemies. If some salesman has worked hard to send in some sort of pet contribution and it cannot be used in the forthcoming issue, he is likely to be offended.

No man must be mentioned too often to the exclusion of others. This is true even of star salesmen. Someone has said that if you cannot print an article about the poor salesman's record you may give him a boost by printing his baby's picture. Almost every man on the force should be mentioned some time throughout the year. Subjects likely to arouse personal controversy should be avoided. This is particularly true of political and religious topics.

10. *Writing and rewriting.*—The main task in editing is probably that of writing and rewriting. A whole text could easily be written on the principles of the good writing and editing of salesman's organs. A fundamental rule is to make the contents of the house organ interesting and attractive to the reader. How is this to be done? One of two suggestions must suffice.

In the first place, the editor must know his readers thoroughly, their mental range, their tastes, their interests in life. Interesting writing, after all, is largely a matter of putting the unknown and the unfamiliar into terms of the known and the familiar. To do this extremely difficult job, the editor must know his readers. The task involves not only the good writing of one's own ideas, but the rewriting of the poorly and uninterestingly expressed efforts of most of the contributors.

Another task which, unfortunately, usually falls on the editor is the preparing of his budget for the coming year. This is often an extremely difficult and

uncongenial task. It should be done with great care, lest there follow those disappointments which come from low estimates. Besides the editor's salary, the total cost should include cost of printing, payment of artists, cost of cuts for illustrations, postage for mailing and extra correspondence, and appropriations for outside contributors.

Above all, the editing of the house organ should be ultimately a one-man job. The editor may have to have the advice and aid of others in the company on certain points of information, but the actual method and technique of presentation should be left entirely to him.

11. *Supervising the mechanical production.*—Usually a part of the editor's job is the supervising of the mechanical production of the house organ. Unless he is an expert in this procedure, he can do no better than to seek the advice and coöperation of a capable printer and a good artist. Type for text, headlines, and display matter must be carefully chosen. The type should be easy to read and at the same time should be adapted to the subject matter and the style of composition. Paper must be chosen which will take the print and the kind of illustrations used. If the publication is to be a two-color or a four-color job, the paper must be chosen accordingly.

Make-up, too, is a technical and mechanical problem which requires artistic taste and judgment. Choosing and designing covers is often a task for the editor working in coöperation with the artist.

The editor must work hand in hand with the printer in getting material in on time and in establishing and adhering to a definite schedule in production. The problem of getting suitable pictures and illustrations will require the aid of an artist and often the help of an amateur or professional photographer. Sometimes—and there can be no harm in always doing it—it is desirable to copyright the material in a house organ.

Finally, some method of distribution, usually that of mailing, must be worked out. The publication should arrive on a fixed date, a certain day of each week or month, so that salesmen will know when to look forward to receiving the issue. It is often considered good policy to mail the house organ to the salesman's home so that his wife and family can be interested in his work with resultant added stimulation to him. If the content of the house organ is confidential, precaution should be taken to insure that no outsiders will see it.

12. *Evaluating the results of the house organ.*—Lastly, both the editor and the company are interested in the results which the house organ is producing. Some method should be found of ascertaining them. Of course, the ideal result is increased and more profitable sales. Sometimes, however, this is not a fair barometer. Letters may come in from the sales force; unfortunately, those who are dissatisfied are usually more likely to write than those who are satisfied.

Often the sales manager can get the most relia information by making skilful and subtle inqui among the force. In any case, it is extremely portant to ascertain in some way the effect the ho organ is producing, to find out whether the exper ture involved is worth while. Well-conceived well-edited house organs have, in a number of ca proved to be valuable stimulating devices; they h actually been known to double sales.

13. *The sales bulletin.*—The sales bulletin i stimulating device which has a place somewhere tween that of the letter and the house organ. is less personal, less direct than the letter, and m specific and particularized than the house org Bulletins from the sales manager are not usually s out at regular intervals, but only when a special cumstance of some sort demands them. Bullet too, usually contain confidential material which i not thought advisable to run in a house organ; latter, despite every precaution, often gets into hands of outsiders and even of competitors.

The bulletin has grown more popular as a s plement to the personal letter, since salesmanship become more and more of a standardized proced Hence, there is a widespread tendency to mak more educational and less inspirational. Inspira can best be given out through means of the pers letter. Instruction, on the other hand, is more pl antly conveyed by means of the bulletin, since obviously directed to a part, if not all, of the s force.

REVIEW

Under what conditions is the publication of a sales house organ likely to prove profitable?

List the important qualifications that should be possessed by the editor of a sales house organ.

What are the three or four most important elements of content material that should be presented in the sales house organ?

Discuss the purpose and handling of a house organ editorial.

What are some of the most important mechanical problems in producing and effecting house organs?

CHAPTER XVII

THE FIELD SALES MANAGER AND THE SALES QUOTA

1. *The determination of sales objectives.*—The idea of determining sales objectives in some quantitative sense has for a long time tantalized the minds of marketing executives. The experiments have been many and most confusing. Not that the notion of sales objectives is unsound—far from it.

Most business enterprises definitely set the number of hours per week their office employees must work. In the industrial plant, a standard performance or rate for piece workers is established. Practically all medium-sized or large concerns have some kind of a budget system for expenses. In one way or another, it is common practice to establish more or less set tasks for every worker.

It is hardly surprising, then, that marketing executives have attempted to devise some system to make the field sales force operate on the basis of a suitable unit task. In fact, it is theoretically sound to say that the field sales work lends itself to intelligent direction and economical supervision only when its objectives are clearly determined and delimited beyond the possibility of confusion.

Unfortunately, however, the idea of definite objectives has had its most common marketing use in the so-called "salesmen's quotas." As such alone, the sales objective may be just another form of whip-cracking. Salesmen's quotas are not often based on sound market analysis. They are usually unfair to the salesmen or to the house, their quantitative totals being too high or too low. Moreover, they frequently lead to overstocking and overselling on the part of the individual salesman as he frantically attempts to meet an arbitrary and ill-considered quota. When the idea of the salesman's quota was first put into practice, the results were so invigorating that the quota was looked upon as a magic potion that would turn dull drummers into crack salesmen. As such the idea has persisted with many managers. It is easy to tell the salesman that his quota for the month is X units, to read the riot act to him when he appears to be falling short, and to plead as a personal alibi the individual salesman's weakness and ineffectiveness.

2. *Sales quotas as devices of compensation.*—It is inevitable that when a compensation plan is coupled with salesmen's quotas formulated without reference to scientific market forecasting, payment to the salesmen will be subject to gross abuses. Any system of paying bonuses, increased commissions, profit-sharing percentages, and the like, to salesmen as a reward for exceeding their quotas is a just system of compensation only when the quotas themselves

bear a direct relationship to carefully measured sales potentialities.

Instances of injustice under poorly devised quotas are plentiful. An office-specialty manager, for example, established his quota one year by setting up an arbitrary 10 per cent increase over his previous year's sales. Just before the new quota went into effect, one of the salesmen, who had sold twenty-five thousand dollars' worth of specialties in his particular territory, was discharged for inefficiency and conspicuous weaknesses in personal character.

His successor was given as his quota a 10 per cent advance over the twenty-five thousand dollar figure, or a figure of twenty-seven thousand five hundred dollars. Although the new salesman was of only average ability, he sold ninety thousand dollars' worth of the office specialties during the year, and received in compensation more than many other salesmen with volumes several times as large and with abilities several times as great. This and other instances led to the disruption of the sales force and to such general dissatisfaction with the method of compensation that it was necessarily abandoned.

3. *Relating salesmen's quotas to market forecasts.* —The problem of determining a marketing objective is, in a special sense, the problem of setting up a quantitative goal covering a specified period for the business as a whole. This quantitative objective should guide the company's production and should serve as the numerical goal for the entire marketing effort,

for each and every marketing instrument—advertising, and direct-sales correspondence, as well as personal salesmanship in the field. In modern business, this general objective is usually called the market forecast. The general market forecast is a summary of sales expectations for a future period derived from the use of carefully tested market indices for the particular product line, and a consideration of the probable status of competition, production capacity, general business conditions, and possible marketing appropriations.

Until recently, market forecasting efforts have been very crude and inaccurate. Market forecasting has been studied and developed of late, because of the growing opinion that the greatest business need of the moment is the coördination of production schedules with carefully determined sales possibilities. A disproportionate emphasis upon volume production at the expense of market considerations inevitably causes trouble. Sales costs cannot be kept within profit-making bounds, if production schedules are allowed to dump impossible selling burdens upon the marketing department.

4. *The development of forecasting.*—In earlier years, market forecasting was largely guesswork, based upon sales for the previous year plus an arbitrary percentage of increase. No reference was made to carefully ascertained market facts or indices. Totals were set up in accord with what the sales officials thought could be sold, or with what they

thought should be set before the salesmen for the sake of psychological impression. Under such a system, the most difficult task that faced the sales manager was not the forecast itself, but the breakdown of the forecast into sales quotas by territories and by salesmen. The individual salesmen had little part in the setting of the major objective, but were occasionally consulted in the analytical breakdown.

Today, however, the larger business concerns have advanced beyond such guesswork procedures, and the task of general market forecasting is rapidly becoming recognized as a specialized staff function. Consequently, a line officer like the field sales manager is seldom saddled with the responsibility of getting up the general market forecasting. This fact is in line with the tendency toward greater specialization and toward an inescapable shrinkage in the scope of the field sales manager's task.

A trained forecasting group that works in close harmony with a competent market research department can carry through the problem of the general market forecast with some degree of scientific accuracy. Moreover, such a situation permits of synthetic forecasting, a building up to a grand total from an evaluation of potentialities in each trading area. Thus many companies have been able to discover and test several different market indices that bear a relationship to product sales, to combine them into a composite index, and to work out some reasonable method of adjustment for competition. This procedure re-

sults in a reliable basic forecast from which the field manager can draw off such individual sales quotas as he desires.

5. *Relation of field sales manager to general forecasting.*—While the task of making the general market forecast should be the special function of a trained forecasting group or subdepartment, it must not be presumed that the field sales manager has absolutely no relation to this work. Ordinarily, he will be frequently and freely consulted, and his services will be used in gathering and evaluating opinions from the field, the opinions of branch-office managers, crew supervisors, individual salesmen, and customers. We may suppose that the technique of the market-forecasting department will be somewhat as follows:

(a) An evaluation and interpretation of past sales and expense records, trading area by trading area
(b) A careful consideration of current or recent market surveys, trading area by trading area
(c) Several sample numerical counts of trading areas
(d) The use of a composite market index, trading area by trading area
(e) An adjustment for competition, trading area by trading area
(f) A division of forecasted totals among the several marketing instruments that may be used, trading area by trading area

Unquestionably, in the last two steps, at least, the information and judgment of the field sales manager are exceedingly valuable to the forecasting personnel.

6. *Arbitrary adjustments for competition.*—Once the market forecasting has progressed to the point of setting up a potential sales figure for the product line in a certain trading area, some arbitrary adjustment for competition must be made. The use of several tested indices, perhaps combined by multiple correlation into a composite index, determines the potential market for the product of the industry. What any particular company's sales should be in the particular area can only be determined by means of an arbitrary adjustment for competition.

Unfortunately, competition can seldom be measured quantitatively, trading area by trading area. Because of the difficulty in seeking quantitative information concerning the sales of competitors in a certain trading area, it is impossible to assign accurate percentages to the several competitors and thus reduce the potential to a forecast for a particular company. The strength of a competition can only be estimated. Moreover, just what marketing effort a competitor may put into a given area during a coming period can only be guessed.

It is in connection with this arbitrary adjustment for competition that the field sales manager must be called upon by the forecasting personnel. His opinion is valuable, because he is in close touch with the current situation in the field. He can relay to the forecasting group the judgment of branch office managers, crew supervisors, salesmen, and customers with respect to competition in individual areas.

Again, everyone realizes that conditions change constantly and rapidly in individual areas. New competitive situations arise, sudden and short periods of prosperity and depression come into being and have their effect, quite apart from any reflection in a statistical market index. Temporary shifts in buying habits and motives may not be indicated in available market surveys. These uncontrollable and unforeseeable factors often upset careful forecasts, unless adjustments are made for them in the individual territories on the basis of current information supplied by the field sales manager.

7. *Setting up the forecast for the field force.*— When the market forecast for a particular area is reduced to an individual company forecast, it may be desirable to divide this area forecast among the several marketing methods to be used. For example, a quota for mail-order sales, a quota for telephone or telegraph sales, a quota for exhibition sales, and a quota for field personal salesmanship may be determined.

In any such effort, the field sales manager should certainly have a very definite part in the necessarily arbitrary task of division. He is vitally concerned with any phase of the process of taking salesmen's quotas off the general market forecast. He has valuable knowledge of the capabilities of individual salesmen in a particular trading area and the possibility of shifting men in or out of a particular area or of adding additional new men to the area. The fore-

casting personnel alone should never attempt a division of quantitative possibilities among varied marketing methods.

In many concerns, every sale is finally effected by a field salesman. Naturally, in these instances, the sales forecast for a given trading area will not be divided among several marketing methods, even though the particular concern involved uses publication and direct-mail advertising. One total for each trading area will be used as the objective of all the marketing efforts.

8. *The responsibility of the field sales manager.*—Under modern conditions of marketing specialization, then, two definite statements may be made concerning the relationship of the field sales manager to the task of determining market objectives. In the first place, while he may have very little to do with the technique of setting up a general market forecast, he will inevitably be concerned with the process of drawing off field selling quotas for each trading area. In the second place, he will be intimately and almost exclusively involved in the assignment of individual sales quotas to individual salesmen and in the supervision and control of the stimulating efforts that are worked out to help the individual salesman make his quota.

9. *Assignment of individual sales quotas.*—The assignment of definite sales quotas to individual salesmen is a task that calls for careful analysis and for a considerable amount of tact and diplomacy in sell-

ing the objective to the individual. For example, the sales quota for a specific trading area that is being worked by three salesmen might be $225,000 for the future period. The apportionment of this amount among the three salesmen involves direct knowledge of their possibilities and a careful examination of their past and current records.

If the assigned sales quota for one salesman involves an increase over his past accomplishments larger than is the case in the quota assignments for the other two salesmen, a careful and diplomatic handling of the first salesman is sure to be necessary. The assignment of a larger percentage of increase may be entirely just and in line with his unexercised capabilities as reflected in his past or current cultivation of his prospects and customers, yet herein lies the principal danger of salesmen's quotas.

When salesmen compete with one another under a system of assigned quotas, there is always the possibility of developing a type of suspicious rivalry that will break down the general morale. One salesman may lose his loyalty to the house, another may entertain propositions from competing companies, and another may go about his work bitterly and sullenly, convinced that he has been assigned a high quota because of some personal animus toward him on the part of the home office.

10. *Using the individual salesman's estimates.*— Many field sales managers approach the problem of sales quotas by asking the individual salesmen on the

field to suggest their own. A common practice is to send out to the individual salesman an estimate book that contains:

(a) His own record of sales from a previous period set up in total, product by product, and customer by customer
(b) The total market forecast for the individual company for the coming period in the salesman's own trading area
(c) Blank spaces for the salesman's estimate of what he believes he can sell to each customer during the coming period

There are certain management advantages in allowing the individual salesmen to have some part in setting up their own sales quotas. Such advantages are summarized by the comptroller of the Wahl Company as follows:

It makes them think; it makes them get right down to brass tacks and look over their list of customers in this, that, or the other city. The salesman knows what he did for that customer last year and probably the condition of the customer's present stocks and finances. If he loaded the customer up last year, he knows he cannot sell him much this year. Naturally, he is afraid to commit himself to too large an amount for him next year.

But that is where we catch him. When this estimate book comes back, it is checked over by our sales executives. If we find that a salesman has written in a meager amount for a large customer, we are immediately on the job with that salesman to know why. On the other hand, if a salesman, in our opinion, has overestimated on some of his customers, these figures are also modified after taking the matter up with the salesman himself to find out his reasons for such large expectations.

By using some such procedure, the field sales manager is in a splendid position to make an equitable assignment of individual sales quotas. With the salesman's past record before him, the salesman's estimate for the ensuing period, and the total company field-sales forecast for the particular trading area, he has a basis for his decisions. The principal error that he must guard against is the assignment of, say, a 10 per cent increase in volume to a salesman who has done a 50 per cent job during the preceding sales period, and a similar assignment of a 10 per cent increase to a salesman who has done a 98 per cent job during the same period. The latter salesman may find it a physical impossibility to secure the 10 per cent increase, while the former may not need to exert himself in the least. In other words, the field sales manager must consider very carefully:

(a) The total company forecast for the particular trading area
(b) Each salesman's proved capabilities as to attained total volume and volume of particular items in the product line
(c) Each salesman's assignment list of prospects and customers, its present state of cultivation, and its immediate potentiality
(d) Any possible changes in list assignments or routing that may better fit the salesmen to the potentialities of the area

Naturally, these changes in list assignments or routings should be made at the time the salesmen's quotas are decided upon and assigned.

11. *Product quotas.*—Generally, the sales manager will attempt to break down his individual quota assignments by classes of products and months. The product breakdown takes into account slow-moving versus rapid-turning items, old versus new products, and other major differences among various product items that affect the selling task. It also allows some assignment leeway in fitting these subquotas to the capabilities of individual salesmen, in asking certain men to meet a heavy quota on the new product and others a heavy quota on the old, and so on. Moreover, it is of assistance in field supervision, since it tells the sales manager just what type of sales help and assistance the individual salesman needs, particularly when this breakdown is coupled with a monthly quota setup. For example, Salesman A may show the following record for January:

	Salesman's Original Estimate	*Quota*	*Actual Sales*
Product 1	180 units	170 units	175 units
Product 2	180 units	170 units	160 units
Product 3(New)	150 units	100 units	75 units

In this case, it is evident that the particular salesman is having difficulty with the new product. In spite of the fact that the sales manager in setting the quota sharply cut the salesman's estimate of what he could accomplish in selling Product 3, the salesman is still considerably below his quota on this product. More than likely, there is some detail of this

product and its uses that the salesman is failing to stress in his presentations.

12. *Monthly quotas.*—The monthly breakdown of the salesmen's quotas has very definite supervising advantages. In the first place, very few business concerns can expect twelve equal months of sales volume, but must face the problem of seasonal variations. Where the seasonal nature of the business is pronounced, definite efforts are usually made to expand the product line, to take on other lines that have their peak months in the dull seasons of the older items. But these varied lines seldom really balance. The most that any such highly seasonal business can hope to attain is the average "swing" of the normal year-round business.

No normal situation implies that each one of the twelve months can be expected to yield exactly one-twelfth of the year's business, yet the assignment of an annual sales quota suggests twelve equal parts. An assignment of, say, $120,000 worth of business on an annual basis may actually hinder a particular salesman from reaching this quota. For example, three of this salesman's best lines may have their rush selling seasons in February and March. If he reaches monthly average sales of merely $10,000 for these two months, he is likely to come up short at the end of the year. Since he understood the expectation to be about $10,000 a month, he tried only for that month, and, as a result, will probably fall very much behind during the slack months no matter how hard

he works. Often, the use of an annual quota really puts four-wheel brakes on the selling effort during the rush season months and piles up too much back mileage for the salesman to make over the dull-season stretches.

The monthly quota, on the other hand, indicates to each salesman exactly what he is expected to accomplish as each month comes. It does not imply that, if the salesman falls down in January, he can make it up later. Each month calls for a certain maximum effort and requires an accounting at its end. If the salesman's original estimates prior to setting his quota are made on a monthly basis, they will usually be more accurate and require less adjustment. Then, too, there is the growing tendency to make the general market forecast for a two- or three-month period, and thus provide for necessary adjustments in the forecast itself. If the salesman's quotas are assigned on a monthly basis, they will fit in with any periodic revisions of the forecast for the particular trading area.

13. *Selling the quotas to the salesmen.*—No system of individual quota assignment, however scientific and just, will be successful unless it is fully accepted by the sales force. At the time assignments are made, the field sales manager needs to devise some technique of selling the entire force on the proposed quotas. This selling may be done by bulletins, by personal letters, and by interviews. The important point to be called to the salesman's mind is that the marketing

activities of the company consist of the joint efforts of the salesman, the advertising department, and the inside sales staff.

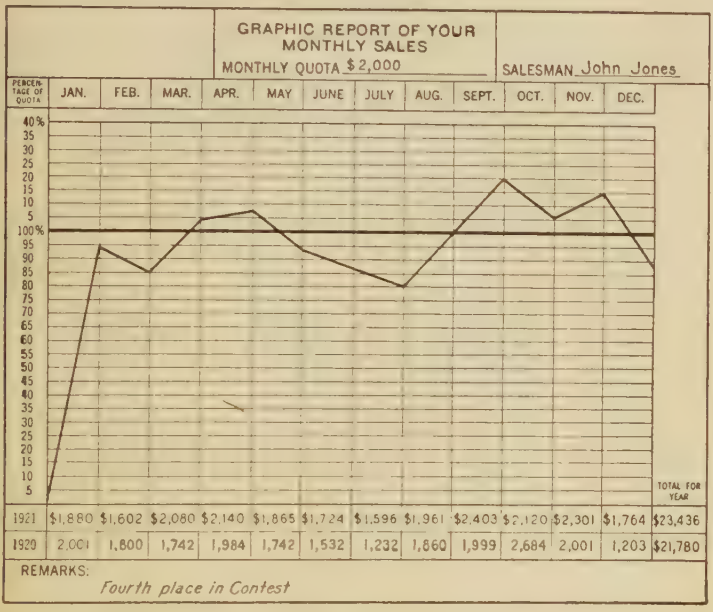


FIGURE 13—GRAPHIC CHART TO SHOW SALESMAN'S PRODUCTION IN RELATION TO ASSIGNED QUOTA

It can be explained that the determination of objectives and of total amounts of money to be spent in securing sales is very largely an inside problem, although the salesman's estimates are extremely helpful. Moreover, it should be pointed out that the trading-area forecast and budget, as well as the man-to-man sales quota, must be very largely an inside problem and that final decisions rest upon careful

investigations determining where expense is best justified—where the need is greatest in relation to probable returns—as well as an evaluation of the salesman's own list of prospects and customers. If these points are clearly explained, and if some personal attention to the salesman's own estimate is provided, the chance for offense in the fixing of individual sales quotas is considerably reduced.

NAME QUOTA

1920	Quota Points to be made to date	Fill in Number of Points Made	Increase in Points to date
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

YOU CAN MAKE YOUR QUOTA

FIGURE 14—WALLET QUOTA CARD FOR USE BY SALESMAN

With this procedure, there should be coupled a simple and understandable presentation of each sales quota and of the relationship between the quota and the system of compensation. Just what the attainment of quota will mean in terms of monetary reward must be made plain. Hypothetical examples should be presented, and, if the quota is set up on a point or

unit basis, care must be taken to make the computations absolutely concrete and easy to grasp.

14. *Necessity for planning the salesman's work.*— After the salesmen's quotas have been accepted by the field force, it is necessary to see to it that each salesman's time and effort are planned in large measure. Here, the administration of the quota dovetails with the general problem of field supervision. Assignments must be checked, routings must be examined, and sales helps of the proper amount and kind must be provided. Moreover, the day-by-day tasks must be planned. Few salesmen of and by themselves will schedule and plan their work from day to day in accord with a monthly sales quota. On this point, the following account of a field investigation by Louis L. McIlhenny, director of sales for Stephen F. Whitman & Sons, is particularly pertinent:

> I started by casually picking up the acquaintance of salesmen in drug stores and other places where I might find a man or two waiting for a buyer. 'What's your line?' was usually an adequate introduction to the contents of his mind on the subject of quotas. I found that nearly every man I talked to was either uninformed or had a very vague idea of what he was expected to do. About one man out of fifteen knew how much business he was expected to get that day and each day of the week in order to make his quota. As for dividing the quota down to the point where he had estimated how much business he should try to obtain from the particular customer upon whom he was calling, that was completely beyond consideration.

Obviously, this whole matter of the salesman's quota should be tied in with the general question of supervision on the field. The work and expense reports from the field should indicate the salesman's day-by-day progress toward his quota. Each man should be encouraged to break down his quota roughly into daily tasks. If an individual salesman has difficulty in such planning, he should be given assistance by the home or branch office.

15. *Informing the salesman of quota standing.*— It is advisable to keep the salesmen informed of their quota standing or record. This may be accomplished by form or personal letters, by bulletins, by conferences, and by charts displayed in the home or branch office or mailed with letters or bulletins. If the salesmen are few in number, the individual quota records should be included in the personal letters of a supervising nature. This procedure enables the field sales manager to analyze the individual problem of a particular salesman and to offer constructive advice.

When the sales force is large, the form letters can be used more economically, but even here, the slipping salesman should have individualized, personal attention. Regular bulletins may also be used to record the standings of each salesman in a division, branch, or trading area. This practice develops a spirit of competition in that it gives each salesman an opportunity to compare his own accomplishments with those of his fellows. A low ranking for several suc-

cessive periods is sure to spur him to better efforts, if he realizes that his quota is just.

To supplement letters and bulletins, the personal conference is used for those salesmen who are having the most difficulty in attaining their quotas. These conferences are invaluable in getting at the root of the trouble and in providing a personal means of giving the salesman instruction and encouragement. Generally speaking, it is probably advisable to notify the salesmen of their quota standings at least once a week. This frequency of notice inevitably tends to influence the salesman to plan his work on more of a day-to-day basis.

A graphic presentation of quota standings is also useful and highly stimulating. Examples of these forms of chart or graphic presentation are given in Figs. 13 and 14. Any device that keeps the salesman's standing before him and provides him with a constant check-up is sure to be helpful.

Finally, it should be said again that any technique of administering the sales quota is directly involved with the whole task of field supervision. The salesman who is not succeeding in making his quota must be warned, advised, and encouraged. Generally, he cannot be effectively stimulated by mere "hokum" in bulletins or sales letters. Nor can he always be driven. He is a human being and an individual. More often than not, he will be too indifferent or too indolent to harden his selling muscles by his own ef-

forts. His particular difficulties must be analyzed and he must be helped or dismissed.

REVIEW

State the purposes for which salesmen's quotas are sometimes used when the quotas have no relationship to a basic and comprehensive market forecast.

To what extent is the field sales manager called upon by the market forecasting personnel in making a company market forecast?

Name the advantages in using salesmen's estimates in deciding upon individual sales quotas.

List the most important factors to be considered in assigning individual sales quotas.

Discuss the monthly sales quota as opposed to the annual sales quota.

INDEX

Addressograph Company,
Experience in recruiting bond salesmen, 49; Sales contest featuring baseball as central idea, 292; Name chosen for house organ, 304

Advertising,
As a distributive force, 6; As compared with salesmanship, 6–7; Whether it should be controlled by sales manager, 7; As a device for recruiting salesmen, 58–62; Choice of medium, 59; Preparation of copy, 59–62; Portfolio as a part of salesmen's equipment, 178; Reports on, 237

Aluminum Cooking Utensil Company,
Use of distinctive business card, 172

American Multigraph Company,
Keeping good balance in house organ, 300

American Slicing Machine Company,
Sales contest featuring award of Christmas turkey, 292

American Tobacco Company,
Experiment to test ability of sales managers in interviewing applicants for position, 96

Application,
Unsolicited type of, as a source of sales recruits, 56; Value of, as a tool of selection, 85; Form of a good application blank, 88–91; Use of the application letter, 87

Ashbrook, William S.,
Effect of college education on success in selling, 51

Assignment, Territorial,
Salesmen often poorly assigned, 14; Importance of, 182–83; Geographic type, 183–85; Trading areas as a basis of, 185–86; Factors influencing, 186–91; Should assignments be flexible? 191–93; Fitting salesmen to assignments, 193–94; Most assignments are too extensive, 197–99

Automobile,
Growing use in selling, 199; Importance for adequate coverage of territory, 199; Advantages and disadvantages of routing by, 199; Expense report for use of, 236

Baker-Vawter Company,
Method of recruiting salesmen, 63; Introduction quoted from sales manual, 153

Barnhart, W. L.,
Report of sales contest begun informally, 294

Barrett-Cravens Company,
Publicity preparatory to sales convention, 272

Bartlett, O. W.,
Report of sales contest featuring award of Christmas turkey, 292

Benway, W. G. G.,
Definition of sales talk, 141

Binz, G. A.,
Sales conventions should be held at the factory, 262

Bonney, H. C.,
Need of comprehensiveness in sales management, 15

Bonus,
Salary, commission and bonus, 249–51; Special bonus plans, 251; Bonus and task plans, 252–54; Rating plans, 256

Borden Company,
Inclusion of demonstration kit in sample case, 176

Branch Office,
As a type of sales organization 31–34; Advantages and disadvantages of, 31–36; Manager's duties in, 34; Importance of, 35

Bulletin, Sales,
As compared with house organ, 298; Uses of, 314; Content of, 314

Bureau of Personnel Research,
Investigation of turnover among salesmen, 64, 111; Outline of salesman's job, 78

Burroughs Adding Machine Company,
Correspondence training course, 138; Name for house organ, 304

Bussmann Manufacturing Company,
Expense policy, 229–31

Chamberlain Metal Weather Strip Company,
Use of model of product, 177

Character Traits,
In selection of salesmen, 67–69; Relation to intelligence, 67; In St. Louis list of qualifications, 68

Chase Candy Company,
Unfavorable experience with basing commissions on profits, 250–51

Chevrolet Motor Car Company,
Results from training program, 110; Decrease in turnover, 111; Use of illustrated booklet in selling, 177

Clifford, William G.,
Definition of house organ, 300

Coaches,
Use of in road training, 134

Cole, Roland,
Uses of point system of compensation, 255–56

College Men,
Advantages and disadvantages of recruiting for sales work, 50–52

Commissions,
Straight, 242–45; Sliding, 245; Salary and commission, 248; Salary, expense, and commission, 249; Salary, commission, and bonus, 249–51

Compensation of Salesmen,
Importance of, in reducing turnover, 240; Factors in determining amount and method of, 240–42; Straight commission, 242–45; Sliding commission, 245; Straight salary, 246–48; Salary and commission, 248; Salary, expense, and commission, 249; Salary, commission, and bonus, 249–51; Special bonus plans, 251; Bonus and task plans, 252–54; Point systems, 254–56; Rating plan, 256; Miscellaneous plans, 257–59

Conferences,
Usefulness of field, 207

Contests, Sales,
Uses of, 280–82; Limitations and objectionable features of, 282–84; Length of, 284–86; Awards, 287–89; Use of a central idea, 289–93; Quotas, 293; Publicity, 293; Special-interest devices, 296–97

Convention, Sales,
How idea has developed, 260–61; Advantages and disadvantages of, 261–63; Costliness of, 263–64; Functions of, 264–66; Choice of location, 266–69; Length of, 269–70; Planning and program-making for, 270–77; Physical facilities required for, 277–79

Correspondence,
Training by, 136–38; Supervision by, 209–11

Coverage,
Organization to secure national, 36; Importance of automobile in securing, 199

Crane & Breed Manufacturing Company,
"Fables for Salesmen by a Modern Æsop," 155

Credit and Collection Reports, 237

Crew, Sales,
Use of, 37; Duties of foreman or supervisor, 38–39; Advantages and disadvantages of using, 38–40

Crouse-Hinds Company,
Compensation plan, 258

Curtis Publishing Company,
Recruitment of salesmen from unemployed, 55

Dartnell Corporation,
Compilation of a standard application blank, 87; Use of rating scale, 93; Investigation of time spent by managers in the field, 207; Assisting in getting convention speakers, 275; Reports on sales contests, 281, 285

Delco-Light Company,
Sales manual practices, 164

Demonstrations,
Equipment for, 173–77; Reports on, 237

Dennison Manufacturing Company,
Use of psychological tests for selecting salesmen, 104; Training program, 130; Sample program of home-office course, 131–33

Dictaphone Corporation,
Experience with flexible territorial assignments, 191

Distribution, Director of,
As a substitute title for general sales manager, 12; Relation to field sales manager, 12

Distributive Forces,
Personal salesmanship, 6; Advertising, 6; Style, 6; Gossip, 6; Press reports, 6; Relative age and prominence of each, 6; Basic differences between salesmanship and advertising 6–7

District or Divisional Office,
As a type of sales organization, 31; When needed, 34; Duties of divisional managers, 34

Eastman, Lee J.,
Report on continuous sales contest, 285

Eastman Kodak Company,
Name for house organ, 304

Edison, Thomas A., Inc.,
Experience with holding sales convention in three divisions, 269

Education,
As a qualification for salesmanship, 71

Edwards and Chamberlain,
Compensation plan based on difficulty of territory, 250

Employment Agencies,
A source of sales recruits, 57

Equipment, Sales,
Carelessness in furnishing, 14; Aids in obtaining interviews, 166–73; Aids in making sales, 173–80; Models of products, 176–77; Photographs and motion pictures; 177–78; Advertising portfolio; 178–79; Testimonial booklet, 179–80

Equitable Life Assurance Society,
Use of psychological tests for selecting salesmen, 104

Evaluating Work of Salesmen,
Neglected considerations in, 14

Expense Accounts,
Need of definite expense policy, 226–28; Items usually allowed on, 227; Incidental and entertainment expenses as trouble-makers, 227; Totals more important than items, 228; Examples of expense policies, 228–31; Receipt and voucher requirements, 231–32; Administration of, 232–33

Experience,
As a qualification for salesmanship, 72; Disadvantages in employing men of experience, 72

Failures,
Studies of sales, for determining standard qualifications of salesmen, 80–81

Field, Marshall,
An example of recruitment through unsolicited applications, 56

Field Sales Manager,
Use of title for indicating restricted duties of sales management, 12; Relation to director of distribution, 12

Forecasting, Market,
Development of, 319–20; Properly the work of a trained staff, 320; Steps involved in, 321; Assistance of sales manager in, 321–23

Frigidaire Corporation,
Memorizing the sales presentation, 143

Fuller Brush Company,
Recruiting policy, 54; Appeals used in advertising for salesmen, 59; Training program, 136

Functions of Sales Management,
Delimitation of, 12; Neglected functions, 13–14

General Electric Company,
"On-to-Nela" sales contest, 290–91

General Motors Acceptance Corporation,
Compensation plan, 259

Germanow-Simon Machine Company,
Experience in raising commissions during dull seasons, 244

Goodrich Company, B. F.,
Use of advance cards featuring advertising campaign, 167–68

Graves, Nelson M.,
Experience in assisting individual salesman, 209

Gypsum Company,
Correspondence training course, 138

High-Pressure Sales Methods,
Development of, 4–5; Wastefulness of, 5

Hiring of Salesmen,
See Selection of Salesmen

Hollingshead Company, R. M.,
Sales contest using baseball motif, 289–90

Home Office,
As a type of sales organization, 30; Advantages and disadvantages of, 30–31

Hoopingarner, N. L.,
Author of tests of vocational aptitude, 104

House Organ,
Functions of, 298–99; When advisable, 299–301; Size of, 301–2; Frequency of issue of, 302; Qualifications of editor of, 302–3; Title of, 303–4; Content of, 304–9; Editorial duties, 309–13; Evaluating results, 313
Hoyt, Charles W.,
Description of task and bonus plan of compensation, 252–54; Major purpose as keynote of a sales convention, 265; Importance of placing company treasurer on convention program, 273

Ide, George P. & Co.,
Materials carried by salesmen in advertising portfolio, 179
Industry,
Importance of, in successful salesmanship, 81–82
Intelligence,
As a qualification for salesmanship, 67; Tests of, 103–5
Interview,
As a tool for job analysis, 77; As a tool for selecting salesmen, 93–95; Means of systematizing, 96–97; Use of jury system, 97; Use of judgment blanks and rating scales, 98–102; What the interview tells, 102–3
Itinerary,
See Routing

Job Analysis,
Use in determining standard qualifications for salesmanship, 76; Choice of duty or difficulty analysis, 76–77; Technique of making, 77–80
Johnson, S. C. & Co.,
Sales convention compared with advertising as to cost, 264
Judgments,
Of experienced persons for determining standard qualifications for salesmen, 82–83; Use of judgment blanks in interviewing sales applicants, 98–102
Jury System of Interviewing, 97–98

Labor Bureaus
A source of sales recruits, 57
Larkin's Products Company,
Recruitment of salesmen from unemployed, 55
Larrabee, C. B.,
Investigation of advance cards, 167; Rules for designing successful cards, 170
Lee, George W.,
Investigation of qualifications most frequently desired in salesmen, 83
Lee, R. L.,
Importance of memorizing sales presentation, 143
Letters,
General letter to entire sales force, 212–13; Personalized individual letters, 213–14; To the recruit, 214–16; To the veteran, 217–18
Lyon, Leverett S.,
Essential feature of an application blank, 85
Lyttle, Carol,
Argument for flexible territorial assignments, 191

Manual, Sales,
Place in a training program, 145; Need of better manuals, 146; Determination of content of, 147–49; Suggestions for content of, 149–55; Form and style of, 155–59; Methods of compilation, 159–62; Getting the salesmen to use the manual, 163–64
Market Data Handbook, 188
Market Research,
Should not be conducted by sales manager, 8–9; A staff rather than a line activity, 8; Should not be conducted by advertising manager, 9. *See also* Forecasting
Mathes, C. B.,
Recruiting salesmen from other departments of the company, 46
Maxwell, William,
Success in salesmanship obtainable by training, 107
Mental Alertness,
As a qualification in selecting salesmen, 69–70; Tests of, 103–5
Mid-West Box Company,
Training program, with engineering features, 130
Models,
As part of salesmen's equipment, 176; Illustrations of use, 177
Moorhead Knitting Company, Inc.,
Plan of training in the field, 135–36
Motion Pictures,
Use in selling to technical experts, 178

McIlhenny, Louis L.,
Investigation of salesmen's knowledge of their quotas, 333

National Cash Register Company,
Selling objective, 110; Salesmen's knowledge of product, 117; "N. C.R. Primer," 139; Sales conventions, 264; Sales contests, 287
National Distribution,
Need of district offices for, 34
National Security Company,
Informal sales contest, 294

Objectives, Sales,
Problem of determining, 316; Methods of determining, 321–27
Organization of Marketing Functions,
Prerequisite to organizing sales management, 21; Distributive activities for which provision must be made, 21; Necessity of flexibility, 22; Factors influencing structure of, 22–24; Territorial basis in, 27; Functional basis in, 27; Product basis in, 29
Organization of Sales Department,
Relation to entire marketing organization, 21; Four major types of, 29; Advantages and disadvantages of each type, 30–38; Danger of overemphasizing problems of organization, 42

Packard Motor Car Company,
Continuous sales contest, 284–85
Patterson, John H.
Leadership in devising a training program, 111; Author of the "N.C.R. Primer," 139; Insistence upon memorizing standard presentation, 142
Payment of Salesmen,
See Compensation of Salesmen
Peckham-Foreman, Inc.,
Rating plan of compensation, 256–57
Personal Contact,
Importance of, in sales management, 207–9; Time spent by sales managers in the field, 207
Personality Traits,
In selection of salesmen, 70
Phoenix Mutual Life Insurance Company,
Rules for selection of salesmen, 74–75; Investigation of traits of superior salesmen, 82; Use of psychological tests for salesmen, 104
Photographs,
As part of salesmen's equipment, 177
Physical Distribution,
Importance of, 10; Wastes in, 10; A task for traffic engineer rather than for sales manager, 11
Placement Bureaus,
A source of sales recruits, 57
Potter, H. T.,
Description of informal training methods, 122–23
Printers' Ink, 127, 149, 198, 229, 255, 262, 266, 287, 294, 307
Printers' Ink Monthly, 107, 167, 177, 291
Procter and Gamble,
Use of judgment blank in interviewing applicants for positions, 98; Use of psychological tests, 104
Product Division,
In organization of sales work, 29, 40–42; Advantages and disadvantages of, 42
Psychology,
Assistance of, in testing sales applicants, 103–5; Appeals helpful in supervision suggested by, 204–7; Use in conventions of group appeals, 265
Pure Oil Company,
Example of a general letter to salesmen, 213
Pyrene Manufacturing Company,
Features of sales manual, 151

Quota, Sales,
In sales contests, 293; In regular sales, 316; As a device of compensation, 317–18; Should be related to market forecast, 318–19; Assignment of individual field quotas, 324–27; Salesmen's estimates, 325–26; Product quotas, 328; Monthly quotas, 329–30; Getting salesmen to use quota system, 330–32; Relating quotas to routing and equipment, 334; Informing salesmen of quota standing, 334–35

Ramsay, Robert E.,
Definition of house organ, 300; Sources of material for house organ, 309
Rating Scales,
Usefulness in interviewing sales applicants, 98–102; Dartnell scale, 98